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Washington, Wednesday, June 14, 1950

TITLE 5—ADMINISTRATIVE PERSONNEL

Chapter I—Civil Service Commission

PART 30—ANNUAL AND SICK LEAVE REGULATIONS

MISCELLANEOUS AMENDMENTS

1. Paragraph (b) of § 30.101 is amended as set out below.

§ 30.101 Definitions. * * *

(b) "Permanent employees" are those appointed without limitation as to length of service, or with an indefinite limitation, or for a definite period in excess of one year.

2. Section 30.201 is amended to read as follows:

§ 30.201 *Accrual of annual leave.* Annual leave shall accrue and be credited to employees as follows:

(a) *Full-time employees.* (1) Permanent full-time employees shall earn and be credited with annual leave of twenty-six days for each calendar year. The total credit for a calendar year may be given at the beginning of the calendar year in which it accrues, or it may be given at the rate of one day per bi-weekly pay period: *Provided*, That the credit equals twenty-six days for a full calendar year of service. In computing annual leave accruals for less than a complete bi-weekly pay period, the table given below will govern in determining leave accruals for basic eight-hour work days in five-day work weeks. Fractions of work days shall be disregarded.

| Basic work days: | Hours credit |
|------------------|--------------|
| 1..... | 1 |
| 2..... | 2 |
| 3..... | 3 |
| 4..... | 4 |
| 5..... | 4 |

(2) Temporary full-time employees shall earn and be credited with annual leave of two and one-half days for each full continuous month of service.

(b) *Part-time employees.* (1) Permanent part-time employees for whom there has been established a regular tour

of duty covering not less than five days in any administrative work week shall earn and be credited with one hour of annual leave for each ten hours in a pay status, any hours in excess of forty in any administrative work week to be disregarded.

(2) Temporary part-time employees for whom there has been established a regular tour of duty covering not less than five days in any administrative work week shall earn and be credited with one hour of annual leave for each eight hours in a pay status during each full continuous month of service, any hours in excess of forty in any administrative work week to be disregarded.

NOTE: Such part-time employees began earning pro rata leave October 5, 1949, the date of Public Law 316, 81st Congress. From that date until the effective date of this paragraph, any system for computing their leave not inconsistent with that act may have been used by the employing agency.

(c) *Intermittent employees.* Employees whose services are required on an intermittent basis and whose appointment actions state: (1) That they are to be employed on an intermittent basis, and (2) that they are not entitled to earn leave, shall not earn leave even though they may serve a continuous period of one month or more: *Provided*, That when the appointment actions do not contain such provisions employees whose services are required on an intermittent basis and who serve any continuous period of one month or more, shall earn and be credited with annual leave during the entire period of such continuous service in accordance with the provisions of paragraphs (a) and (b) of this section.

(d) The minimum accrual and credit for annual leave shall be one hour, and additional accruals and credits shall be in multiples thereof.

(e) When a temporary appointment is changed to a permanent appointment prior to the end of the service month, the change in leave system shall be considered to have begun at the beginning of the uncompleted month of service.

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3. Section 30.202 is amended to read as follows:

§ 30.202 *Accumulated annual leave.* Accumulated annual leave may be carried forward for use in succeeding years until it totals not exceeding 60 days for full-time employees, or 480 hours for part-time employees: *Provided*, That additional leave up to 30 days which was accumulated by full-time employees during the emergency period from September 8, 1939, to July 25, 1947, and which remains unused, may be carried forward into succeeding years until used.

4. Section 30.301 is amended to read as follows:

§ 30.301 *Accrual of sick leave.* Sick leave shall accrue and be credited to employees as follows:

(a) *Full-time employees.* (1) Permanent full-time employees shall earn and be credited with sick leave at the rate of 1 1/4 days per calendar month, which may be credited at the beginning of the month, or at the beginning of the first pay period following the first day of the month.

(2) Temporary full-time employees shall earn and be credited with 1 1/4 days of sick leave for each full continuous month of service.

(b) *Part-time employees.* (1) Permanent part-time employees for whom there has been established a regular tour of duty covering not less than five days in any administrative work week shall earn and be credited with one hour of sick leave for each seventeen hours in a pay status, any hours in excess of forty in any administrative work week to be disregarded.

(2) Temporary part-time employees for whom there has been established a regular tour of duty covering not less than five days in any administrative work week shall earn and be credited with one hour of sick leave for each seventeen hours in a pay status during each full continuous month of service, any hours in excess of forty in any administrative work week to be disregarded.

NOTE: Such part-time employees began earning pro rata leave October 5, 1949, the date of Public Law 316, 81st Congress. From that date until the effective date of this paragraph, any system for computing their leave not inconsistent with that act may have been used by the employing agency.

(c) *Intermittent employees.* Employees whose services are required on an intermittent basis and whose appointment actions state: (1) That they are to be employed on an intermittent basis, and (2) that they are not entitled to earn leave, shall not earn leave even though they may serve a continuous period of one month or more: *Provided*, That when the appointment actions do not contain such provisions, employees whose services are required on an intermittent basis and who serve any continuous period of one month or more, shall earn and be credited with sick leave during the entire period of such continuous service in accordance with the provisions of paragraphs (a) and (b) of this section.

(d) The minimum accrual and credit for sick leave shall be one hour, and ad-

ditional accruals and credits shall be in multiples thereof.

(e) Sick leave accruing during any month of service shall be available at any time during that or any subsequent month.

(f) When a temporary appointment is changed to a permanent appointment prior to the end of the service month, the change in leave system shall be considered to have begun at the beginning of the uncompleted month of service.

5. Section 30.302 is amended to read as follows:

§ 30.302 *Accumulated sick leave.* Unused sick leave shall be cumulative and available for future use: *Provided*, That the balance to the credit of the employee at the end of any month shall not exceed 90 days for full-time employees or 720 hours for part-time employees.

6. Section 30.305 is amended to read as follows:

§ 30.305 *Application for sick leave.* Written application on the prescribed form for grant of sick leave shall be filed within such time limits as the agency may prescribe. For periods of absence of 3 work days or less the agency may accept the employee's certification as to the reason for the absence. For periods of absence in excess of 3 workdays the application must be supported by a medical certificate, or other evidence administratively acceptable, which must be filed within 15 days after return to duty: *Provided*, That in lieu of a medical certificate, a signed statement of the employee indicating the nature of the illness and the reason why a medical certificate is not furnished may be accepted whenever it is unreasonable to obtain such certificate because of a shortage of physicians, remoteness of locality, or because the circumstances surrounding the employee's illness do not require the services of a physician. The agency shall determine administratively whether the statement of the employee in lieu of a medical certificate shall be considered sufficient evidence to support the request for sick leave.

7. Section 30.403 is amended to read as follows:

§ 30.403 *Nonpay status.* Whenever a permanent full-time employee's absence in a nonpay status totals the equivalent of the base-pay hours in 1 bi-weekly pay period, the credits for annual leave shall be reduced 1 day and for sick leave 1/2 day for each such period. The total deductions in sick leave credits on account of nonpay status in any one calendar year shall not exceed 15 days.

8. Section 30.407 is revoked.

9. Paragraph (e) of § 30.601 is amended as set out below.

§ 30.601 *Employees excepted.* * * *

(e) Employees not required to be continuously employed during regular tour of duty, such as (1) per diem or per hour employees engaged in an emergency who may be employed for more than one 7- or 8-hour shift within 24 hours during the emergency; (2) persons engaged under contract; (3) employees engaged temporarily for less than a month on a

piece-price basis; (4) employees who are paid at hourly rates but who are not engaged on construction work, such as mechanics, skilled laborers, and others engaged in various services on maintenance, repair, clean-up work, etc., where employment is more or less intermittent and not on a regular and continuous basis; and (5) employees paid on a fee basis, such as physicians, surgeons, and other consultants.

(Sec. 7, 49 Stat. 1162; 5 U. S. C. 306. E. O. 9414, Jan. 13, 1944. 9 F. R. 623, 3 CFR, 1944 Supp.)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] HARRY B. MITCHELL,
Chairman,

[F. R. Doc. 50-5066; Filed, June 13, 1950; 8:46 a. m.]

TITLE 6—AGRICULTURAL CREDIT

Chapter III—Farmers Home Administration, Department of Agriculture

Subchapter B—Farm Ownership Loans

PART 311—BASIC REGULATIONS

SUBPART B—LOAN LIMITATIONS

AVERAGE VALUES OF FARMS AND INVESTMENT LIMITS; GEORGIA

For the purposes of title I of the Bankhead-Jones Farm Tenant Act, as amended, the average value of efficient family-type farm-management units and the investment limit for the county identified below are determined to be as herein set forth; and § 311.30, Chapter III, Title 6 of the Code of Federal Regulations (13 F. R. 9381), is amended by adding said county, average value, and investment limit to the tabulations appearing in said section under the State of Georgia.

GEORGIA

| County | Average value | Investment limit |
|---------------|---------------|------------------|
| McIntosh..... | \$10,000 | \$10,000 |

(Sec. 41, 60 Stat. 1066; 7 U. S. C. 1015. Interprets and applies secs. 3, 44, 60 Stat. 1074, 1069; 7 U. S. C. 1063, 1018)

Issued this 9th day of June 1950.

[SEAL] CHARLES F. BRANNAN,
Secretary of Agriculture.

[F. R. Doc. 50-5075; Filed, June 13, 1950; 8:47 a. m.]

PART 311—BASIC REGULATIONS

SUBPART B—LOAN LIMITATIONS

AVERAGE VALUES OF FARMS AND INVESTMENT LIMITS; GEORGIA

For the purposes of title I of the Bankhead-Jones Farm Tenant Act, as amended, average values of efficient family-type farm-management units and investment limits for the counties identified below are determined to be as herein set forth. The average values and investment limits heretofore established for said counties, which appear in the tabulations of average values and in-

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vestment limits under § 311.30, Chapter III, Title 6 of the Code of Federal Regulations (13 F. R. 9381), are hereby superseded by the average values and investment limits set forth below for said counties.

GEORGIA

| County | Average value | Investment limit |
|------------|---------------|------------------|
| Appling | \$10,000 | \$10,000 |
| Berrien | 10,000 | 10,000 |
| Bibb | 12,000 | 12,000 |
| Candler | 10,000 | 10,000 |
| Chattooga | 9,000 | 9,000 |
| Cobb | 9,000 | 9,000 |
| Columbia | 10,000 | 10,000 |
| Evans | 10,000 | 10,000 |
| Floyd | 10,000 | 10,000 |
| Forsyth | 7,500 | 7,500 |
| Hancock | 9,000 | 9,000 |
| Jeff Davis | 10,000 | 10,000 |
| Liberty | 10,000 | 10,000 |
| Long | 10,000 | 10,000 |
| Richmond | 10,000 | 10,000 |
| Talbot | 11,000 | 11,000 |
| Terrell | 10,000 | 10,000 |
| Thomas | 10,000 | 10,000 |
| Twiggs | 10,000 | 10,000 |
| Washington | 9,000 | 9,000 |
| Wayne | 9,500 | 9,500 |

(Sec. 41, 60 Stat. 1066; 7 U. S. C. 1015. Interpret and applies secs. 3, 44, 60 Stat. 1074, 1069; 7 U. S. C. 1003, 1018)

Issued this 9th day of June 1950.

[SEAL] CHARLES F. BRANNAN,
Secretary of Agriculture.

[F. R. Doc. 50-5074; Filed, June 13, 1950;
8:47 a. m.]

Chapter IV—Production and Marketing Administration and Commodity Credit Corporation, Department of Agriculture

Subchapter B—Export and Diversion Programs [Amtd. 4]

PART 518—FRUITS AND BERRIES, DRIED AND PROCESSED

DRIED FRUIT EXPORT PROGRAM (FISCAL YEAR 1950)

1. Section 518.108 is hereby amended to read as follows:

§ 518.108 *Period for making sales.* No payment under this program will be made in connection with any sale for export unless the sales contract was entered into on or after the effective date hereof and prior to 12 o'clock midnight, eastern daylight time, August 31, 1950.

2. Section 518.120 (f) is hereby amended to read as follows:

§ 518.120 *Definitions.* * * *

(f) "Date of sale" means the date on which both buyer and seller shall have signed a written contract or the date of a written acceptance of a written offer or counter offer to buy or sell: *Provided*, That such date and the effective date of any such contract so entered into shall be within the period beginning with the effective date of this program and August 31, 1950, both dates inclusive.

Effective date. This amendment shall become effective upon filing with the Division of the Federal Register, for publication in the FEDERAL REGISTER.

(Sec. 32, 49 Stat. 774, as amended, sec. 112, 62 Stat. 143; 7 U. S. C. and Sup., 612c, 22 U. S. C. Sup., 1510)

Dated this 9th day of June 1950.

[SEAL] M. W. BAKER,
Authorized Representative
of the Secretary of Agriculture.

[F. R. Doc. 50-5095; Filed, June 13, 1950;
8:50 a. m.]

Subchapter C—Loans, Purchases, and Other Operations

[1950 C. C. C. Grain Price Support Program Bulletin 1, Supplement 1, Winter Cover Crop and Kobe Lespedeza Seed]

PART 601—GRAINS AND RELATED COMMODITIES

SUBPART—1950-CROP WINTER COVER CROP AND KOBE LESPEDEZA SEED

A price support program has been announced for the 1950 crop of winter cover crop seeds named in § 601.430 hereof and for Kobe lespedeza seed. The 1950 C. C. C. Grain Price Support Bulletin 1, 15 F. R. 3147, issued by the Commodity Credit Corporation and containing the general requirements with respect to price support operations for grains and related commodities produced in 1950, is supplemented as follows:

- Sec.
601.421 Purpose.
601.422 Availability of price support.
601.423 Eligible seed.
601.424 Warehouse receipts.
601.425 Determination of quantity.
601.426 Determination of quality.
601.427 Loss or damage to seed under farm-storage loan.
601.428 Warehouse and other charges.
601.429 Maturity of loans.
601.430 Schedule of basic specifications and rates.
601.431 County rates.
601.432 Credit for freight paid by dealers.
601.433 Delivery of seed to CCC.
601.434 Settlement.

AUTHORITY: §§ 601.421 to 601.434 issued under sec. 4, 62 Stat. 1070, as amended; 15 U. S. C. Sup., 714b. Interpret or apply sec. 5, 62 Stat. 1072, titles III, IV, Pub. Law 439, 81st Cong.; 15 U. S. C. Sup., 714c.

§ 601.421 *Purpose.* This supplement states additional specific requirements which, together with the general requirements contained in the 1950 C. C. C. Grain Price Support Bulletin 1, apply to loans and purchase agreements for producers and purchase agreements for dealers under the 1950-Crop Winter Cover Crop and Kobe Lespedeza Seed (all hereinafter referred to as seed) Price Support Program.

§ 601.422 *Availability of price support—(a) Method of support.* Price support will be available to producers through nonrecourse farm-storage and warehouse-storage loans and through purchase agreements for all seeds listed in § 601.430 except blue lupine, the price of which will be supported by purchase agreements only. Purchases will be made from dealers under dealer purchase agreements which require that producers be paid the support price.

(b) *Area.* Farm-storage and warehouse storage loans and purchase agreements will be available to producers wherever any of the seeds listed in § 601.430 are grown in the continental United States, except that farm-storage

loans will not be available in areas where the PMA State committee determines that such seeds cannot be stored safely on the farm. Dealer purchase agreements will be available to dealers in all areas.

(c) *Where to apply.* Applications for price support on seed must be made by producers at the office of the PMA county committee which keeps the farm-program records for the farm. The dealers in the producing area shall make application for approval of certificates of eligibility and execute dealer purchase agreements at the office of the PMA county committee for the county in which the seed originated. Distributing dealers not located in the producing area shall execute dealer purchase agreements at the office of the PMA county committee for the county in which his principal place of business is located.

(d) *When to apply.* Loans and purchase agreements will be available to producers from the time of harvest through December 31, 1950, and the applicable documents must be signed by the producer and delivered to the county committee not later than such date. Dealer purchase agreements will be available to dealers from time of harvest through January 31, 1951. Disbursements under the loan program will be made not later than January 15, 1951, unless specially approved by CCC in each instance.

(e) *Eligible producer.* An eligible producer shall be any individual, partnership, association, corporation, or other legal entity producing seed listed in § 601.430 in 1950 as landowner, landlord, tenant, or sharecropper.

Cooperative marketing associations of producers shall be eligible for loans and purchase agreements: *Provided*, That (1) the producer members are bound by contract to market through the association; (2) the major part of the seed marketed by the association is produced by members who are eligible producers; (3) the members share proportionately in the proceeds from marketings according to the quantity and quality of seed each delivers to the association; (4) the seed purchased from nonmembers is segregated sufficiently to assure that the seed placed under loan or delivered under a purchase agreement accurately reflects the quantity and quality of seed grown by producer members; and, (5) the association has the legal right to pledge or mortgage the seed as security for a loan.

(f) *Eligible dealer.* An eligible dealer shall be any seedsmen who has paid the applicable support price or better, basis clean seed, for all winter cover crop or Kobe lespedeza seed purchased by him of the variety tendered to CCC, or who has distributed such seed of the variety tendered CCC for all of which the producer(s) received the applicable support price.

The dealer purchasing the seed from producers in a producing area must certify that for all of the 1950-crop seed purchased by him of the variety tendered to CCC, the producers were paid the support price or better, clean seed basis, and furnish the distributing dealer a certificate approved by the PMA county committee for the county in which the seed originated, certifying that the pro-

ducers were paid the support price or better, basis clean seed, for all of the seed of the variety purchased by him.

The distributing dealer must certify that the producer has been paid the support price for all of the seed handled by him of the variety offered to CCC as evidenced by dealer certificates covering all of such seed distributed by him.

§ 601.423 *Eligible seed.* At the time of seed is placed under loan or delivered under a purchase agreement, the seed shall meet the following requirements:

(a) The seed must have been produced in the continental United States by an eligible producer and be one of the kinds and varieties named in § 601.430.

(b) Except in the case of cooperative marketing associations of producers and in the case of dealers, the beneficial interest in the seed must be in the person tendering the seed for loan or for delivery under a purchase agreement, and must always have been in him, or must have been in him and a former producer whom he succeeded before the seed was harvested.

(c) It must on the basis of official purity analysis reports, and germination test certificates dated not more than five calendar months prior to the first day of the month in which the seed is tendered for loan or purchase, be equal to or better in every respect than the minimum specifications for the particular kind of seed as shown in § 601.430, unless the warehouseman certifies that the seed is of a quality eligible for loan, shows such quality on the warehouse receipt, and guarantees to deliver to CCC seed of a quality equal to, or better, than that shown on the warehouse receipt.

(d) The seed must not contain noxious weed seeds in excess of the number permitted for sale as planting seed by the State seed law and rules and regulations pursuant thereto of the State in which the seed is tendered for loan or delivered under a purchase agreement.

§ 601.424 *Warehouse receipts.* Warehouse receipts representing seed in approved warehouse-storage to be placed under loan or delivered under a purchase agreement must meet the following requirements:

(a) Warehouse receipts must be issued in the name of the producer, cooperative marketing association of producers or a dealer, must be properly endorsed in blank so as to vest title in the holder, must be issued by an approved warehouse, and must show the quantity of eligible seed actually in store in the warehouse.

(b) Where the warehouseman guarantees quality, each warehouse receipt, or the warehouseman's supplemental certificate (in duplicate) properly identified with the warehouse receipt, must show the net weight of the seed and the factors used in determining the quality of the seed.

(c) Where the warehouseman does not guarantee the quality, there shall be attached to the warehouse receipt copies of the official purity analysis and germination test certificates.

(d) Warehouse receipts shall carry an endorsement in substantially the following form:

Warehouse charges through January 31, 1951, on the seed represented by this warehouse receipt have been paid or otherwise provided for, and lien for such charges will not be claimed by the warehouseman from CCC or any subsequent holder of the warehouse receipt.

(e) The warehouse receipt representing each lot of seed must set forth in the written or printed terms the kind or variety of seed, the lot identity or number, the number of bags and the total net weight.

§ 601.425 *Determination of quantity.* All determinations of the quantity of seed delivered under loan or purchase agreement in an approved warehouse under this program shall be made on the basis of the net weight of eligible seed, as specified on the warehouse receipt. The quantity of seed being placed under a farm-storage loan shall be determined by the county committee. The quantity of seed delivered under a farm-storage loan will be the actual net weight of seed.

§ 601.426 *Determination of quality.* At the time the seed is placed under loan, the county committee will determine the quality of the seed on the basis of official purity and germination tests of a representative sample except where the warehouseman guarantees the quality of the seed. An "official test" shall be an analysis made by a Federal of State Seed Testing Laboratory where such facilities are available, or, in the absence of such facilities, by a seed testing laboratory approved by the State committee. The germination test certificate shall not be dated more than 5 calendar months prior to the first day of the month in which the seed is tendered for loan or delivered to CCC. A representative sample for determination of quality shall be

a sample taken by a licensed State inspector, or where such services are not provided, the county committee shall arrange for obtaining a representative sample which shall consist of equal portions taken from evenly distributed parts of the lot of seed to be sampled.

§ 601.427 *Loss or damage to seed under farm-storage loan.* Notwithstanding the provisions of § 601.15 of the 1950 C. C. C. Grain Price Support Bulletin 1, and the provisions of the chattel mortgage and the mortgage supplement, the producer will not be responsible for deterioration occurring without fault or negligence on the part of the producer or the person in control of the farm-storage structure.

§ 601.428 *Warehouse and other charges.* CCC will not pay or assume cleaning, drying, bagging, sampling, testing and analysis reports, tagging, or other handling or processing charges which are necessary to prepare the seed to meet eligibility requirements for price support, or storage charges which accrue prior to February 1, 1951, the date of the warehouse receipt, or the date the seed is determined to be eligible for delivery, whichever is later.

§ 601.429 *Maturity of loans.* Loans mature on demand but not later than January 31, 1951.

§ 601.430 *Schedule of basic specifications and rates.* The rates at which purchases will be made from producers and dealers and the loan and settlement rates shall be computed in accordance with the specifications and rates shown in the following schedule, except the applicable county rates for the county of production shown in § 601.431 shall be used for hairy vetch.

SCHEDULE OF BASIC RATES AND SPECIFICATIONS APPLICABLE FOR 1950 CROP WINTER COVER CROP SEEDS AND KOBES LESPEDEZA SEED

| | Hairy Vetch | Common Vetch | Williamette Vetch | Crimson Clover | Common Ryegrass | Austrian Winter Peas | Blue Lupine | Rough-peas (Lathyrus hirsutus) | Kobe Lespedeza |
|---|------------------|------------------|-------------------|------------------|------------------|----------------------|------------------|--------------------------------|------------------|
| 1. Basic price per pound..... | Cents 14.70 | Cents 6.57 | Cents 6.57 | Cents 16.30 | Cents 7.34 | Cents 4.52 | Cents 4.52 | Cents 6.00 | Cents 12.00 |
| 2. Basic price requirements: | Percent | Percent | Percent | Percent | Percent | Percent | Percent | Percent | Percent |
| Germination ¹ | 90 | 90 | 90 | 85 | 90 | 90 | 90 | 90 | 85 |
| Pure seed..... | 93 | 90 | 90 | 98 | 98 | 90 | 90 | 98 | 98 |
| Total winter legumes..... | 98 | 98 | 98 | (²) | (²) | 98 | (²) | 98 | (²) |
| Noxious weeds permitted..... | (³) | (³) | (³) | None | (³) | (³) | (³) | (³) | (³) |
| Common weed seeds not to exceed..... | 1 | 1 | 1 | 2 | 1 | 1 | 1 | 1 | 1 |
| Other crop seed permitted..... | (⁴) | (⁴) | (⁴) | 2 | (⁴) | (⁴) | 14 | (⁴) | (⁴) |
| Moisture content not to exceed..... | | | | | | | | | |
| 3. Minimum eligibility requirements: | | | | | | | | | |
| Germination ¹ | 70 | 70 | 70 | 75 | 75 | 75 | 70 | 75 | 80 |
| Pure seed..... | 70 | 70 | 70 | 96 | 95 | 70 | 95 | 70 | 94 |
| Total winter legumes..... | 98 | 98 | 98 | (²) | (²) | 98 | (²) | 98 | (²) |
| Noxious weeds permitted..... | (³) | (³) | (³) | None | (³) | (³) | (³) | (³) | (³) |
| Common weed seed not to exceed..... | 1 | 1 | 1 | 2 | 1 | 1 | 1 | 1 | 1 |
| Other crop seed permitted..... | (⁴) | (⁴) | (⁴) | 4 | (⁴) | (⁴) | 14 | (⁴) | (⁴) |
| Moisture content not to exceed..... | | | | | | | | | |
| 4. Discount per hundredweight applicable for each percent below the basic price requirements for— | | | | | | | | | |
| Germination ¹ | \$0.20 | \$0.09 | \$0.09 | \$0.20 | \$0.10 | \$0.07 | \$0.05 | \$0.08 | \$0.15 |
| Purity..... | .11 | .018 | .018 | .25 | .10 | .015 | .10 | .025 | .18 |

¹ Price of hairy vetch shall not be discounted due to the presence of woollypod.

² Hungarian and purple vetch may qualify as common if at least 80 percent of seed is common vetch.

³ Live seed including hard seed.

⁴ No requirements specified for this item. However, the total winter legume requirements where specified and the purity requirements must be met in order for seed to be eligible for purchase.

⁵ Noxious weed seed shall not exceed the quantity permitted for sale as planting seed by the State seed law or regulations of the State in which the seed is delivered to CCC.

⁶ Crimson clover containing not more than 5 wild onion bulbils per pound will be eligible for purchase in Kentucky only at a discount of \$1.00 per hundred.

⁷ Roughpeas (Lathyrus hirsutus) commonly called Caley peas, Singletary peas, and wild winter peas. Hairy vetch seed may qualify as roughpeas provided at least 70 percent of the mixture is roughpeas. The following percent-

ages of the applicable hairy vetch price (including area differentials and discounts for quality below the basic price requirements), will be allowed for the hairy vetch seed in the mixture:

| Hairy Vetch in mixture (percent): | Percent of applicable support price |
|-----------------------------------|-------------------------------------|
| 0-9, inclusive..... | 50 |
| 10-19, inclusive..... | 60 |
| 20-29, inclusive..... | 70 |

§ 601.431 *County rates.* The county basic rates for hairy vetch seed will be as follows:

| | Cents per pound |
|---------------------------------|-----------------|
| Arkansas, all counties..... | 15.30 |
| California, all counties..... | 14.50 |
| Idaho, all counties..... | 14.50 |
| Montana, all counties..... | 14.50 |
| Oklahoma, all counties..... | 15.00 |
| Oregon, all counties..... | 14.50 |
| Texas, all counties..... | 14.95 |
| Washington, all counties..... | 14.50 |
| Other States, all counties..... | 14.70 |

The applicable county rate will be subject to the discounts shown on the Schedule of Basic Rates and Specifications in § 601.430.

§ 601.432 *Credit for freight paid by dealers.* Where seed is delivered to CCC by a dealer at a point where transit privileges are in effect, freight, at a rate not exceeding the lowest published rate or lowest trans-continental rate where applicable (including transportation tax) paid by the dealer on the rail movement from the producing area to the consuming area will be refunded to the dealer in the same manner and at the same time payment for the seed is made, provided, the shipment has been properly registered for transit, and the paid railway freight bill or a validated copy thereof, representing the identical seed, endorsed to CCC in accordance with the covering tariffs at the transit point, and a freight certificate signed by the warehouseman, are turned over to CCC. The freight certificate shall be on a form prescribed by CCC and shall show the original shipping point, date and number of waybill, car initials and number, date and number of freight bill, name of the carrier, transit weight, and rate paid in, the total amount of freight paid, and such other information as CCC may require.

When seed is delivered to CCC by a dealer at a point where transit privileges are not in effect, paid-in freight (including transportation tax on the amount of freight refunded) will be refunded to the dealer after the seed is disposed of by CCC upon presentation of a claim therefor to the appropriate PMA commodity office, except that where CCC moves the seed from storage to a point not considered as an out-of-line movement (where a through rate would apply if transit privileges had been in effect), the amount of freight refunded shall not exceed the amount required to move an equal quantity of seed by rail at the lowest published rate or lowest trans-continental rate where applicable, from the point of origin in the producing area to the point of disposition by CCC, less any amount of freight paid by CCC to move the seed.

If freight is refunded to the dealer in excess of the amount due him, the excess shall be refunded to CCC upon presentation of a claim therefor.

§ 601.433 *Delivery of seed to CCC.* If seed is delivered by a producer to CCC pursuant to the purchase agreement or in satisfaction of the loan, or by deal-

ers pursuant to dealer purchase agreements, the following conditions shall apply.

(a) The seed must be cleaned, fumigated if necessary, and the quality of each lot of seed must be evidenced by official purity analysis reports and germination test certificates.

(b) Seed delivered by a producer or dealer under a purchase agreement must meet at least the minimum eligibility requirements in every respect as set forth in § 601.430. The producer or dealer must notify the county committee in writing of his intention to sell, within the 30-day period ending January 31, 1951.

(c) Seed to be eligible for delivery under a Dealer Purchase Agreement must be in an approved warehouse and must be in carlot quantities of 30,000 pounds or more of one variety of seed.

(d) Seed delivered to CCC under a loan or producers purchase agreement, or under a Dealer Purchase Agreement, must be packaged in evenweight, net capacity, new bags of approved quality as described below:

(1) Austrian winter peas, blue lupine, hairy vetch, Willamette vetch, common vetch, Kobe lespedeza, and rough peas:

| Type | Net capacity (pounds) |
|--|-----------------------|
| (i) 3-harness twill: 36-inch 8-oz. or heavier..... | 100 |
| (ii) Try-sax: | |
| 36-inch 7.5-oz. or heavier..... | 100 |
| 40-inch 8.25-oz. or heavier..... | 100 |
| (iii) Osnaburg: | |
| 36-inch 7-oz. or heavier..... | 100 |
| 40-inch 2.05-yd. or heavier..... | 100 |
| (iv) Burlap: 10-oz. or heavier..... | 100 |

(2) Crimson clover:

| Type | Net capacity (pounds) |
|--|-----------------------|
| (i) Try-sax (double seam): | |
| 36-inch 7.5-oz. or heavier..... | 100 |
| 40-inch 8.25-oz. or heavier..... | 100 |
| (ii) Osnaburg (seamless or double seam): 30-inch 7-oz. or heavier..... | 100 |
| (iii) Seamless cotton: 16-oz..... | 150 |

(3) Common ryegrass:

| Type | Net capacity (pounds) |
|--|-----------------------|
| (i) Try-sax: | |
| 36-inch 7.5-oz. or heavier..... | 100 |
| 40-inch 8.25-oz. or heavier..... | 100 |
| (ii) Osnaburg: 30-inch 7-oz. or heavier..... | 100 |
| (iii) Burlap: 8-oz. or heavier..... | 100 |

(e) The seed must be tagged in accordance with the Federal Seed Act for interstate shipments, if ordered loaded out for interstate shipment by CCC.

§ 601.434 *Settlement.* Where seed is delivered to CCC in accordance with § 601.18 of the 1950 CCC Grain Price Support Bulletin 1, the following provisions shall be applicable:

(a) Settlement under a farm-storage loan shall be made with the producer at the applicable support price on the basis of the quantity of the seed delivered, and on the basis of the quality of the seed when placed under loan except that if deterioration has resulted from negli-

gence on the part of the producer or other person having control of the storage structure, settlement shall be made on the basis of the quality and quantity of the seed delivered.

(b) Seed delivered by a producer under a purchase agreement will be purchased at the applicable support price, which in the case of seeds for which State and county rates are established, will be the support price at the approved point of delivery. Seed delivered under a dealer purchase agreement will be purchased at the applicable support price for the area where grown.

(c) Where seed is delivered in a warehouse for which a Seed Storage Agreement is in effect, settlement will be made on the basis of the quality and quantity of seed shown on the warehouse receipt and accompanying documents, provided the purity analysis reports and germination test certificates are dated not more than five calendar months prior to the first day of the month in which the warehouse receipts are tendered to the county committee. In all other cases of delivery under purchase agreements, settlement will be made on the basis of the quantity of seed actually delivered and the quality shown by purity analysis reports and germination test certificates dated not more than five calendar months prior to the first day of the month in which the seed is delivered to CCC, except that if the county committee determines that the physical condition of the seed is such that such reports and certificates are no longer representative, the quality shall be determined by purity analyses and germination tests made at the time of delivery.

Issued this 9th day of June 1950.

[SEAL] ELMER F. KRUSE,
Vice President,
Commodity Credit Corporation.

Approved:

RALPH S. TRIGG,
President,
Commodity Credit Corporation.

[F. R. Doc. 50-5096; Filed, June 13, 1950;
8:51 a. m.]

TITLE 7—AGRICULTURE

Chapter III—Bureau of Entomology and Plant Quarantine, Department of Agriculture

[Quarantine No. 72]

PART 301—DOMESTIC PLANT QUARANTINES

SUBPART—WHITE-FRINGED BEETLE

EXTENSION OF REGULATED AREA

On April 7, 1950, there was published in the FEDERAL REGISTER (15 F. R. 2004), a notice of proposed amendment of § 301.72-2 of the regulations supplemental to Notice of Quarantine No. 72 relating to white-fringed beetles (7 CFR 301.72-2; 14 U. S. 1209). After due consideration of all relevant matters presented and pursuant to the authority conferred upon me by the Plant Quarantine Act of 1912, as amended (7 U. S. C. 161), § 301.72-2 is hereby amended to read as follows:

§ 301.72-2 *Regulated areas.* The following counties, parishes, cities, and towns, or parts thereof, as described, are designated by the Secretary of Agriculture as regulated areas:

Alabama—Baldwin County. Sec. 31, T. 7 S., R. 4 E.; secs. 35 and 36, T. 7 S., R. 3 E.; secs. 1, 2, 11, and 12, T. 8 S., R. 3 E.; secs. 6 and 7, T. 8 S., R. 4 E.; and secs. 28, 29, 30, 31, 32, and 33, T. 5 S., R. 4 E.

Clarke County. N $\frac{1}{2}$ T. 8 N., R. 3 E., and S $\frac{1}{2}$ T. 9 N., R. 3 E., including all of the town of Grove Hill.

Coffee County. S $\frac{1}{2}$ T. 4 N., R. 20 E.; and all that part of T. 3 N., R. 20 E., lying in Coffee County.

Conecuh County. W $\frac{1}{2}$ T. 5 N., R. 9 E.; and those parts of T. 4 N., R. 6 E., Tps. 4 and 5 N., R. 7 E., Tps. 5 and 6 N., R. 8 E., W $\frac{1}{2}$ T. 6 N., R. 9 E., and Tps. 7 and 8 N., R. 9 E., lying in Conecuh County.

Covington County. That part of the county lying south of the township line between Tps. 5 and 6 N., and east of the Conecuh River.

Crenshaw County. Secs. 27, 28, 29, 30, 31, 32, 33, and 34, T. 9 N., R. 18 E., and secs. 3, 4, 5, and 6, T. 8 N., R. 18 E., including all of the town of Luverne.

Dallas County. That area included within a boundary beginning on the Southern Railway where it crosses Boguechitto Creek, thence SW. along the Southern Railway to Caine Creek, thence SE. along Caine Creek to its intersection with Boguechitto Creek, and thence northward along Boguechitto Creek to the starting point; all of Tps. 13 and 14 N., R. 11 E.; E. $\frac{1}{2}$ T. 14 N., R. 10 E.; and that area included within a boundary beginning at a point where the south line of sec. 14, T. 16 N., R. 10 E., intersects Alabama River, thence east to a point where the south line of sec. 14, T. 16 N., R. 11 E., intersects Alabama River, and thence downstream along Alabama River to the point of beginning.

Escambia County. Secs. 1, 2, 11, 12, 13, 14, 32, 33, 34, 35, and 36, T. 1 N., R. 8 E., including all of the town of Flomaton; secs. 33, 34, 35, and 36, T. 1 N., R. 10 E., and all area south thereof to the Alabama-Florida State line; and N $\frac{1}{2}$ Tps. 3 N., Rs. 6 and 7 E.

Geneva County. Secs. 31, 32, and 33, T. 1 N., R. 19 E., and all area south thereof to the Alabama-Florida State line, including all of secs. 21 and 28, T. 6 N., R. 19 W.; secs. 8, 9, 10, 11, 14, 15, 16, 17, 20, 21, 22, and 23, T. 1 N., R. 20 E.; and all that part of T. 3 N., R. 20 E., lying in Geneva County.

Jefferson County. Secs. 17, 18, 19, and 20, T. 18 S., R. 3 W., and that area included within the corporate limits of the city of Birmingham.

Lowndes County. All of T. 14 N., R. 12 E.

Mobile County. That area included within a boundary beginning at the intersection of Mobile River and the north boundary of S $\frac{1}{2}$ T. 3 S., R. 1 W., thence west along said north boundary to Eight Mile Creek, thence southwesterly along Eight Mile Creek to the point of intersection with the range line between Rs. 1 and 2 W., thence south along said range line to Cottage Hill Road, thence west along Cottage Hill Road to its intersection with Dawes-Dees Road, thence south along said road to the Alabama-Mississippi State line, thence south to the south line of sec. 17, T. 7 S., R. 4 W., thence east along the section line to Mobile Bay, thence north along Mobile Bay and Mobile River to the starting point, including all that area lying within the corporate limits of the city of Mobile, and Blakeley, Pinto, and Sand Islands; secs. 29, 30, 31, and 32, T. 3 S., R. 2 W.; secs. 5, 6, 7, and 8, T. 4 S., R. 2 W.; secs. 1, 2, 11, and 12, T. 4 S., R. 3 W.; and secs. 25, 26, 35, and 36, T. 3 S., R. 3 W.

Monroe County. S $\frac{1}{2}$ T. 5 N., R. 6 E.; NE $\frac{1}{4}$ T. 5 N., E $\frac{1}{2}$ Tps. 6, 7, 8, and 9 N., and SE $\frac{1}{4}$ T. 10 N., R. 7 E.; Tps. 7, 8, and 9 N., and S $\frac{1}{2}$ T. 10 N., R. 8 E.; all of T. 9 N., and S $\frac{1}{2}$ T. 10 N., R. 9 E.; and those parts of Tps. 3 and 4

N., R. 6 E., T. 4 N., and S $\frac{1}{2}$ T. 5 N., R. 7 E., Tps. 5 and 6 N., R. 8 E., and Tps. 6, 7, and 8 N., R. 9 E., lying in Monroe County.

Montgomery County. That area included within a boundary beginning at a point where the east line of sec. 30, T. 17 N., R. 19 E., intersects Tallapoosa River, thence downstream along Tallapoosa River to its confluence with Dead River, thence along Dead River to its confluence with Alabama River, thence along Alabama River to a point where it intersects the west line of sec. 28, T. 17 N., R. 17 E., thence south along the section line to the SW. corner sec. 33, T. 16 N., R. 17 E., thence east along the section line to the SE. corner sec. 34, T. 16 N., R. 18 E., thence north along the section line to its intersection with U. S. Highway No. 80, thence east along U. S. Highway No. 80 to its intersection with the east line of sec. 7, T. 16 N., R. 19 E., and thence north along the section line to the point of beginning.

Wilcox County. N $\frac{1}{2}$ T. 10 N., and all of T. 11 N., R. 9 E.; N $\frac{1}{2}$ T. 10 N., R. 8 E.; NE $\frac{1}{4}$ T. 10 N., R. 7 E.; NE $\frac{1}{4}$ T. 10 N., R. 10 E.; SW $\frac{1}{4}$ T. 12 N., R. 9 E.; and SE $\frac{1}{4}$ T. 12 N., R. 8 E.

Florida—Escambia County. All that part lying south of the north boundary of T. 1 N., including all of the city of Pensacola; that part of the county lying north of the south boundary and east of the west boundary of T. 5 N., R. 31 W.; E $\frac{1}{2}$ T. 5 N., R. 32 W.; and secs. 33, 34, 35, and 36, T. 6 N., R. 32 W.

Holmes County. S $\frac{1}{2}$ T. 6 N., R. 15 W., except secs. 18, 19, 30, and 31; NE $\frac{1}{4}$ and secs. 22, 23, and 24, T. 5 N., R. 15 W.; secs. 29, 30, 31, and 32, T. 6 N., R. 14 W.; and secs. 5, 6, 7, 8, 17, 18, 19, and 20, T. 5 N., R. 14 W.

Jackson County. S $\frac{1}{2}$ T. 4 N., R. 8 W., except secs. 12, 13, 24, 25, and 36, and E $\frac{1}{2}$ T. 4 N., R. 9 W., except secs. 1 and 2, including all of the towns of Cypress and Grand Ridge.

Okaloosa County. N $\frac{1}{2}$ Tps. 4 N., and all of Tps. 5 N., Rs. 22 and 23 W., and all lands north thereof to the Florida-Alabama State line; secs. 7, 8, 9, 16, 17, 18, 19, 20, and 21, T. 3 N., R. 23 W., including all of the town of Crestview; and secs. 13, 14, 23, and 24, T. 3 N., R. 24 W.

Santa Rosa County. Secs. 2, 3, 4, and 5, T. 5 N., R. 28 W., and all area north thereof to the Florida-Alabama State line.

Walton County. All of Tps. 5 N., Rs. 20 and 21 W., and secs. 31, 32, and 33, T. 6 N., R. 19 W., and all lands north thereof to the Florida-Alabama State line; all of Tps. 4 N., Rs. 19 and 20 W., and that part of T. 3 N., R. 20 W., lying north of U. S. Highway No. 90; all of T. 3 N., R. 19 W.; that part of T. 4 N., R. 18 W., lying in Walton County; and N $\frac{1}{2}$ T. 4 N., R. 21 W.

Georgia—Baldwin County. That area included within the corporate limits of the city of Milledgeville.

Ben Hill County. That area bounded on the east by a line parallel to and $\frac{1}{2}$ mile east of the Fitzgerald city limits, on the south by a line parallel to and $\frac{1}{2}$ mile south of the Fitzgerald city limits, on the west by a line parallel to and $\frac{1}{2}$ mile west of the Fitzgerald city limits, on the north by a line parallel to and $\frac{1}{2}$ mile north of the Fitzgerald city limits, and the projections of such lines to their intersections, including all of the city of Fitzgerald.

Berrien County. That area included within the corporate limits of the city of Nashville.

Bibb County. That area included within the Georgia Militia Districts of East Macon, Godfrey, Vineville, Hazzard, and Howard; and that portion of the Georgia Militia District of Rutland lying east of a line beginning at the point where U. S. Highway No. 41 crosses the north boundary of said militia district (Tobesofkee Creek) and running southward along said highway to its junction with Hartley Bridge Road and thence southward along said road to the west boundary line of said militia district.

Bleckley County. That area included within the corporate limits of the city of Cochran; and that portion of the Georgia Militia District of Manning included within

a boundary beginning at the intersection of Georgia State Highway 112 and the Bleckley-Twiggs County line, thence northeast along said county line to the intersection of the Bleckley, Twiggs, Wilkinson, and Laurens County lines, thence southeast for a distance of 1 mile along the Bleckley-Laurens County line, and thence northwest to the point of beginning.

Bulloch County. That area included within a circle having a 2-mile radius and center at the Bulloch County Courthouse in Statesboro, including all of the city of Statesboro; and that area included within a circle having a 1-mile radius and center at the Georgia and Florida Railroad depot in Portal, including all of the town of Portal.

Burke County. That area, comprising parts of Georgia Militia Districts numbers 60 and 62, bounded on the east by Fitz Branch, on the south by a line beginning at the intersection of Georgia State Highway 56 and the Hephzibah Road and extending due east to its intersection with Fitz Branch, on the west by Hephzibah Road, and on the north by Brier Creek, including all of the city of Waynesboro.

Candler County. That area included within a circle having a $1\frac{1}{4}$ -mile radius and center at the intersection in Metter of Georgia State Highways 23 and 46, including all of the city of Metter.

Clayton County. That area located between the town of Lovejoy and the city of Jonesboro included within land lots numbers 98, 99, 100, 124, 125, 126, 127, 130, 131, 132, 133, 157, 158, and 159 in the Sixth Land District.

Coffee County. That area included within the corporate limits of the city of Douglas; that area included within a circle having a 2-mile radius and center at the Atlanta, Birmingham and Coast Railroad depot in Ambrose, including all of the town of Ambrose; and an area 3 miles wide beginning at a line projected due east and due west at a point on the Georgia and Florida Railroad 1 mile northwest of the railroad depot in Braxton and extending northwesterly with said railroad as a center line to its junction with and bounded on the north by Georgia State Highway 107.

Crawford County. That area included within a circle having a $1\frac{1}{4}$ -mile radius and center at the intersection in Roberta of U. S. Highway No. 80 and Georgia State Highway 7, including all of the city of Roberta and the town of Knoxville.

Crisp County. That area included within the corporate limits of the city of Cordele.

Dodge County. That area included within land lots numbers 6, 7, 8, 9, 10, 11, 12, 13, 18, 19, 20, 21, 22, 23, 24, 25, 36, 37, 38, 39, 40, 41, and 42 in the Fifteenth Land District, and land lots numbers 278, 279, 280, 281, 282, 289, 290, 291, 292, 293, 294, 295, 306, 307, 308, 309, 310, 311, and 312 in the Sixteenth Land District, including all of the city of Eastman; and all that area included within the corporate limits of the town of Chester.

Emanuel County. That area included within a circle having a $1\frac{1}{2}$ -mile radius and center at the Union Grove Methodist Church in Georgia Militia District No. 49.

Evans County. That area included within a circle having a 1-mile radius and center at the Seaboard Air Line Railroad depot in Daisy, including all of the town of Daisy.

Greene County. That area included within the corporate limits of the city of Greensboro.

Houston County. That area included within the Lower Fifth Georgia Militia District, including all of the city of Warner Robins and all of Robins Air Force Base; an area 2 miles wide beginning north of Perry and bounded on the north by Mossy Creek and extending southward along U. S. Highway No. 41 with said highway as a center line to and bounded on the south by Georgia State Highway 26, including all of the city of Perry; and an area 2 miles wide beginning north of Clinchfield and bounded on the

north by Big Indian Creek and extending southwesterly along the Southern Railway with said railway as a center line to and bounded on the south by Burnham Branch southwest of Grovania, including all of the communities of Clinchfield and Grovania.

Irwin County. That area included within a circle having a $\frac{1}{2}$ -mile radius and center at the intersection in Irwinville of Georgia State Highway 32 and the Jefferson Davis Memorial State Park Road; that area included within a circle having a 2-mile radius and center at the Irwin County Courthouse at Ocilla, including all of the city of Ocilla; an area 1 mile wide bounded on the south and east by the Irwin-Coffee County line and extending northwesterly along the Atlanta, Birmingham and Coast Railroad with said railroad as a center line for a distance of $1\frac{1}{4}$ miles beyond the Atlanta, Birmingham and Coast Railroad depot in Wray; and an area 2 miles wide beginning at the Atlanta, Birmingham, and Coast Railroad in Georgia Militia District No. 1661 and extending southeasterly along Georgia State Highway 32 with said highway as a center line to the east boundary of said militia district.

Jasper County. That area included within Georgia Militia Districts numbers 262, 269, and 295; and that portion of Georgia Militia Districts numbers 288 and 291 lying south of Whiteoak and Murder Creeks.

Jefferson County. That area included within the corporate limits of the city of Louisville; and that area included within a circle having a 1-mile radius and center at the Central of Georgia Railway depot in Bartow, including all of the town of Bartow.

Johnson County. That area included within the corporate limits of the city of Wrightsville; and an area 1 mile wide beginning at the west corporate limits of Wrightsville and extending southwesterly along Georgia State Highway 15 with said highway as a center line to the Ochopee River.

Laurens County. Those portions of the Georgia Militia Districts of Dublin, Dudley, and Harvard included within an area 2 miles wide beginning at the west corporate limits of Dublin and extending northwesterly along the Macon, Dublin and Savannah Railroad with said railroad as a center line to the Laurens-Wilkinson and Laurens-Bleckley County lines, including all of the towns of Dudley and Montrose and that portion of Allentown lying in Laurens County; that area included within the corporate limits of the city of Dublin; an area 2 miles wide beginning at the north corporate limits of Dublin and extending northward along Georgia Highway 29 with said highway as a center line for a distance of 3 miles; and that portion of the Georgia Militia District of Smith lying north of the Macon, Dublin and Savannah Railroad and east of Shaddock Creek.

Macon County. That area included within the Georgia Militia District of Marshallville, including all of the town of Marshallville; that portion of the Georgia Militia District of Montezuma lying north of the city of Montezuma and bounded on the east by the Central of Georgia Railway; and those areas included within the corporate limits of the cities of Montezuma and Oglethorpe.

Monroe County. That area included within the corporate limits of the city of Forsyth.

Montgomery County. That area bounded on the east by the Montgomery-Toombs County line, on the south by Rocky Creek, on the west by Georgia State Highway 29, and on the north by Swift Creek; and those areas included within the corporate limits of the city of Mount Vernon and the town of Alley.

Newton County. That area included within a circle having a 1-mile radius and center at the Porterdales High School, including all of the town of Porterdales.

Peach County. That area included within the Georgia Militia District of Port Valley, including all of the city of Port Valley; and that area included within the corporate limits of the town of Byron.

Putnam County. That area included within the Georgia Militia District of Ashbank.

Richmond County. That portion of the Georgia Militia District of Forest Hills bounded on the south by Raes Creek and Lake Olmsted and on the west by the Berkman Road and a line extended due north from the point of intersection of the Berkman and Washington Roads.

Screven County. That area included within a circle having a 2-mile radius and center at the Screven County Courthouse in Sylvania, including all of the city of Sylvania.

Sumter County. That area included within the corporate limits of the city of Americus; and an area 1 mile wide beginning at the east corporate limits of Americus and extending along U. S. Highway No. 280 with said highway as a center line to Mill Creek.

Taylor County. That area included in the Georgia Militia District of Reynolds, including all of the town of Reynolds; and that area included within a circle having a $2\frac{1}{2}$ -mile radius and center at Taylor County Courthouse in Butler, including all of the town of Butler.

Telfair County. Those areas included within the corporate limits of the town of Helena and the city of McRae.

Toombs County. That area bounded on the east by the east boundaries of the Georgia Militia Districts of Vidalia and Center, on the south by Rocky Creek, on the west by the Toombs-Montgomery County line, and on the north by Swift Creek, including all of the city of Vidalia.

Treutlen County. That area included within the corporate limits of the city of Soperton, and an area 1 mile wide beginning at the south corporate limits of Soperton and extending southeasterly along Georgia State Highway 29 with said highway as a center line to the Treutlen-Montgomery County line.

Turner County. That area bounded on the east by a line parallel to and $\frac{1}{2}$ mile east of the Sycamore town limits, on the south by a line parallel to and $\frac{1}{2}$ mile south of the Sycamore town limits, on the west by a line parallel to and $\frac{1}{2}$ mile west of the Sycamore town limits, on the north by a line parallel to and $\frac{1}{2}$ mile north of the Sycamore town limits, and the projections of such lines to their intersections, including all of the town of Sycamore; and that part of the Georgia Militia District of Clements included within a circle having a $\frac{3}{4}$ -mile radius and center at the Bethel School.

Twiggs County. That portion of the Georgia Militia District of Higgsville bounded on the east by the Twiggs-Wilkinson County line, on the south by the Twiggs-Bleckley County line, on the north by a line parallel to and $3\frac{1}{2}$ miles north of the Twiggs-Bleckley County line, on the west by a line parallel to and 1 mile west of the Twiggs-Wilkinson County line, and the projections of such lines to their intersections, including all of those portions of the towns of Allentown and Danville lying in Twiggs County.

Washington County. That area included within a circle having a 5-mile radius and center at the Washington County Courthouse in Sandersville, including all of the city of Sandersville and the city of Tennille.

Wheeler County. That area included within land lots numbers 40, 41, 42, 43, 48, 49, 50, 51, 70, 71, 72, 73, 78, 79, 80, 81, 100, 101, 102, and 103, in the Eleventh Land District, including all of the town of Alamo.

Wilkinson County. That portion of the Georgia Militia District of Turkey Creek bounded on the west by the Wilkinson-Twiggs County line, on the south by the Wilkinson-Laurens County line, on the east by

a line parallel to and $1\frac{1}{4}$ miles east of the Wilkinson-Twiggs County line, on the north by a line parallel to and $3\frac{1}{2}$ miles north of the Wilkinson-Laurens County line, and the projections of such lines to their intersections, including all of those portions of the towns of Allentown and Danville lying in Wilkinson County.

Louisiana. All of Orleans Parish, including the city of New Orleans; and all of Saint Bernard Parish.

East Baton Rouge Parish. Tps. 7 S., Rs. 1 and 2 E.

Iberia Parish. Secs. 24, 37, 38, 39, 53, 55, and 56, T. 13 S., R. 5 E.; and secs. 46, 55, 56, 57, 58, 59, and 60, T. 13 S., R. 6 E.

Jefferson Parish. That part lying north of the township line between Tps. 14 and 15 S. **Plaquemine Parish.** That part lying north of the township line between Tps. 15 and 16 S.

Saint Tammany Parish. Secs. 38, 39, and 40, T. 7 S., R. 11 E.; and secs. 40 and 41, T. 8 S., R. 11 E.

Tangipahoa Parish. Secs. 32, 33, and 50, T. 3 S., R. 7 E., and secs. 4, 5, 8, 9, 10, 50, and 54, T. 4 S., R. 7 E., including all of the town of Amite.

Washington Parish. E $\frac{1}{2}$ T. 3 S., R. 13 E., and that part of T. 3 S., R. 14 E., lying west of Pearl River in Washington Parish.

Mississippi-Covington County. W $\frac{1}{2}$ Tps. 6, 7, and 8 N., R. 14 W.; E $\frac{1}{2}$ T. 6 N., and all of Tps. 7 and 8 N., R. 15 W.; S $\frac{1}{2}$ Tps. 8 N., Rs. 16 and 17 W.; those parts of Tps. 7 N., Rs. 16 and 17 W., lying in Covington County; and those parts of NW $\frac{1}{4}$ T. 9 N., R. 16 W., and NE $\frac{1}{4}$ T. 9 N., R. 17 W., lying in Covington County.

Forrest County. All of Forrest County. **George County.** Secs. 27, 28, 29, 32, 33, 34, and 35, T. 1 S., R. 6 W., and secs. 2, 3, 4, and 5, T. 2 S., R. 6 W., including all of the town of Lucedale.

Greene County. Secs. 16, 17, 18, 19, 20, 21, 28, 29, 30, 31, 32, and 33, T. 2 N., R. 8 W.

Hancock County. SE $\frac{1}{4}$ and secs. 13, 14, and 15, T. 5 S., R. 14 W.; Tps. 8 and 9 S., R. 14 W., including all of the city of Bay Saint Louis; and NW $\frac{1}{4}$ T. 6 S., R. 15 W.

Harrison County. All of Harrison County except that part lying northeast of a line beginning at the NE corner sec. 30, T. 4 S., R. 10 W., and extending southward to the NE corner sec. 31, T. 6 S., R. 10 W., and thence eastward along the section line to the Harrison-Jackson County line.

Hinds County. E $\frac{1}{2}$ T. 6 N., R. 3 W.; and W $\frac{1}{2}$ T. 6 N., R. 2 W.

Jackson County. That area included within a boundary beginning at a point where the east line of sec. 16, T. 7 S., R. 5 W., intersects Escatawpa River, thence southwesterly along said river to its intersection with East Pascagoula River, thence south along East Pascagoula River to Mississippi Sound, thence east along Mississippi Sound to the east line of sec. 23, T. 8 S., R. 5 W., thence north to the point of beginning; all that part of T. 7 S., R. 9 W., lying in Jackson County; and W $\frac{1}{2}$ Tps. 7 and 8 S., R. 8 W.

Jefferson County. Secs. 13, 14, 15, 22, 23, 24, 25, 26, 27, 34, 35, and 36, T. 8 N., R. 19 W.; NE $\frac{1}{4}$ T. 7 N., R. 19 W., including all of the town of Prentiss; secs. 5, 6, 7, 8, 17, and 18, T. 7 N., R. 18 W.; S $\frac{1}{2}$ T. 8 N., R. 18 W.; that part of N $\frac{1}{2}$ T. 7 N., R. 17 W., lying in Jefferson Davis County; and that part of SW $\frac{1}{4}$ T. 7 N., R. 16 W., lying in Jefferson Davis County.

Jones County. That part of T. 10 N., R. 11 W., lying in Jones County, except secs. 24, 25, and 36; those parts of Tps. 10 N., Rs. 12 and 13 W., lying in Jones County; all of Tps. 9 N., Rs. 12 and 13 W.; all of T. 9 N., R. 11 W., except secs. 1 and 12; E $\frac{1}{2}$ and secs. 29, 30, 31, and 32, T. 8 N., R. 12 W.; N $\frac{1}{2}$ T. 8 N., R. 11 W.; N $\frac{1}{2}$ T. 7 N., R. 12 W.; secs. 29, 30, 31, and 32, and those parts of secs. 28 and 33 lying west of Leaf River, all in T. 6 N., R. 13 W.; and secs. 25, 26, 27, 34, 35, and 36, T. 6 N., R. 14 W.

Lamar County. All of Tps. 2, 3, and 4 N., R. 14 W., including all of the town of Purvis; that part of T. 1 N., R. 14 W., lying in Lamar County; E $\frac{1}{2}$ T. 1 N., R. 15 W.; secs. 1 and 2, T. 1 S., R. 15 W.; and sec. 6 T. 1 S., R. 14 W., including all of the city of Lumberton.

Marion County. That area included within a boundary beginning where the north line of sec. 36, T. 4 N., R. 19 W., intersects Pearl River, thence downstream along Pearl River to a point where Pearl River intersects the north line of sec. 18, T. 3 N., R. 18 W., thence east along said section line to the SE. corner sec. 11, T. 3 N., R. 18 W., thence north to the NE. corner sec. 35, T. 4 N., R. 18 W., and thence west along said section line to the point of beginning.

Pearl River County. W $\frac{1}{2}$ T. 2 S., R. 15 W.; Tps. 1 S., Rs. 14 and 15 W.; E $\frac{1}{2}$ T. 2 S., R. 16 W.; all of T. 5 S., R. 16 W.; E $\frac{1}{2}$ T. 5 S., R. 17 W.; Tps. 3 and 4 S., R. 15 W.; W $\frac{1}{2}$ T. 4 S., R. 14 W.; NE $\frac{1}{4}$ T. 6 S., R. 16 W.; and those parts of Tps. 1 N., Rs. 14 and 15 W., lying in Pearl River County.

Perry County. S $\frac{1}{2}$ T. 3 N., R. 11 W.; secs. 16, 17, 18, 19, 20, 21, 28, 29, 30, 31, 32, and 33, T. 3 N., R. 10 W.; and secs. 13, 14, 23, 24, 25, 26, 35, and 36, T. 2 N., R. 9 W.

Rankin County. E $\frac{1}{2}$ T. 3 N., R. 2 E.; and all of T. 3 N., R. 3 E.

Simpson County. Secs. 4, 5, 6, 7, 8, and 9, T. 10 N., R. 17 W.; secs. 1 and 12, T. 10 N., R. 18 W.; secs. 29, 30, 31, and 32, T. 1 N., R. 6 E.; Tps. 1 N., Rs. 4 and 5 E.; E $\frac{1}{2}$ T. 10 N., R. 19 W., and that part of T. 9 N., R. 19 W., lying in Simpson County; all of T. 2 N., R. 4 E.; and E $\frac{1}{2}$ T. 2 N., R. 3 E.

Stone County. W $\frac{1}{2}$ Tps. 2 and 3 S., R. 11 W.; secs. 5, 6, 7, 8, 17, 18, 19, and 20, T. 4 S., R. 11 W.; E $\frac{1}{2}$ and secs. 3, 4, 5, 8, 9, and 10, T. 2 S., R. 12 W.; E $\frac{1}{2}$ T. 3 S., R. 12 W.; and secs. 1, 2, 11, 12, 13, 14, 23, and 24, T. 4 S., R. 12 W.

North Carolina—Anson County. An area 2 miles wide beginning at the Anson-Union County line and extending easterly along the Seaboard Air Line Railroad with said railroad as a center line to a due north-south line projected through the point of intersection of said railroad with the east corporate limits of Polkton, including all of the towns of Peachland and Polkton.

Bladen County. That area included within the corporate limits of the town of Bladenboro.

Brunswick County. All of Eagles Island.

Cumberland County. That area included within a circle having a $\frac{1}{2}$ -mile radius and center at the Atlantic Coast Line Railroad depot in Hope Mills, including all of the town of Hope Mills and all of the communities of Cumberland and Roslin.

Duplin County. That area included within the corporate limits of the town of Warsaw; and an area 2 miles wide beginning at a line projected northeast and southwest along and beyond the north corporate limits of Warsaw and extending northwesterly along U. S. Highway No. 117 with said highway as a center line for a distance of 3 miles.

Edgecombe County. That portion of the city of Rocky Mount lying in Edgecombe County.

Jones County. An area 2 miles wide beginning at a line projected due east and due west at the Atlantic Coastline siding at Ravenswood, approximately $1\frac{1}{2}$ miles south of the Atlantic Coast Line Railroad depot in Pollockville, and extended southerly with said railroad as a center line for a distance of 3 miles.

New Hanover County. That area included within the corporate limits of the city of Wilmington; all of Cape Fear Township; all that part of Harnett Township lying west of the Wrightsboro-Winter Park Road, including all of the town of Winter Park; and all that part of Masonboro Township lying north of the new Sunset Park-Winter Park Road.

Nash County. That portion of the city of Rocky Mount lying in Nash County.

Onslow County. An area 1 mile wide beginning at the east boundary of Hoffmann Forest and extending southwesterly along U. S. Highway No. 17 with said highway as a center line through the town of Jacksonville to Southwest Creek; an area 1 mile wide beginning at Northeast Creek and extending northwesterly along North Carolina State Highway 24 with said highway as a center line to its junction with the above-described mile-wide area extending along U. S. Highway No. 17; and all of the town of Jacksonville.

Pender County. All of that portion of Pender County lying west of a line parallel to and 8 miles west of the Pender-Onslow County line.

Robeson County. That area bounded on the south by a line $\frac{1}{2}$ mile south of and parallel to the south corporate limits of Parkton, on the west by a line $\frac{1}{10}$ mile west of and parallel to the west corporate limits of Parkton, on the north and east by the north and east corporation limit lines, respectively, of Parkton, and the projections of such lines to their intersections.

Union County. An area 2 miles wide beginning at a line projected due north and due south at a point where the west corporate limits of Marshville intersect the Seaboard Air Line Railroad and extending easterly with said railroad as a center line to the Union-Anson County line, including all of the town of Marshville.

Wayne County. All of Goldsboro Township, including all of the city of Goldsboro; an area 2 miles wide beginning at the west boundary of Goldsboro Township and extending northwesterly along U. S. Highway No. 70 with said highway as a center line to the Wayne-Johnston County line; an area 2 miles wide beginning at the north boundary of Goldsboro Township and extending northerly along the Atlantic Coast Line Railroad with said railroad as a center line to the Wayne-Wilson County line, including all of the towns of Pikeville and Fremont; and an area bounded on the north by the Atlantic and East Carolina Railway, on the west by Stony Creek, on the south by the Neuse River, and on the east by a line beginning at the junction of U. S. Highway No. 70 and North Carolina State Highway 111 and extended due north and due south to its intersections with the north and south boundaries, including all of Seymour Johnson Field.

South Carolina—Fairfield County. That area included within a circle having a 2-mile radius and center at the intersection of South Carolina State Highways 22 and 227, approximately $5\frac{1}{2}$ miles northwest of the city of Winnsboro.

Richland County. All of Columbia Township, including all of the city of Columbia.

Tennessee—Hamilton County. That area included within a circle having a $\frac{1}{2}$ -mile radius and center at the office of the Shell Oil Corporation bulk plant located on Jersey Pike Road.

Shelby County. All that area included within a boundary beginning at the confluence of Wolf River with the Mississippi River, thence upstream along Wolf River to a point where it is crossed by the Nashville, Chattanooga and St. Louis Railway, thence west along said railway to its intersection with White Station Road, thence south along White Station Road to its intersection with U. S. Highway No. 72, thence west along U. S. Highway No. 72 to the point where it is intersected by Mount Moriah Road, thence south and east along Mount Moriah Road to the point where it intersects Nonconah Creek, thence downstream along Nonconah Creek to its confluence with the Tennessee Chute, and thence north along the Tennessee Chute and the Mississippi River to the point of beginning; that area included

within a circle having a 1-mile radius and center at the intersection of the Memphis-Arlington and Pea Point Roads; and that area included within a circle having a 2-mile radius and center at the junction of the Macon Road with the Germantown Road, excluding that part of such area lying in the Shelby County Penal Farm.

(Secs. 1, 3, 33 Stat. 1269, 1270, sec. 9, 37 Stat. 318; 7 U. S. C. 141, 143, 162. Interprets or applies sec. 8, 37 Stat. 318, as amended; 7 U. S. C. 161.)

This amendment shall be effective July 14, 1950.

The primary purpose of this amendment is to add new territory to the regulated area. A few nonsubstantive changes have been made in the interest of explicitness.

Done at Washington, D. C., this 9th day of June 1950. Witness my hand and the seal of the United States Department of Agriculture.

[SEAL] CHARLES F. BRANNAN,
Secretary of Agriculture.

[F. R. Doc. 50-5097; Filed, June 13, 1950; 8:51 a. m.]

Chapter VIII—Production and Marketing Administration (Sugar Branch), Department of Agriculture

Subchapter I—Determination of Prices

[Sugar Determination 871.3]

PART 871—SUGAR BEETS

1950 CROP

Pursuant to the provisions of section 301 (c) (2) of the Sugar Act of 1948 (herein referred to as "act"), after investigation, and due consideration of evidence presented at the several public hearings held during October 1949 (for California and Arizona); and January 1950 (for States other than California and Arizona), the following determination is hereby issued:

§ 871.3 *Fair and reasonable prices for the 1950 crop of sugar beets.* A processor-producer of sugar beets who applies for a payment under the act shall be deemed to have complied with the provisions of section 301 (c) (2) of said act with respect to the 1950 crop of sugar beets if such processor-producer shall have paid or contracted to pay for sugar beets purchased from other producers and processed by said processor-producer prices not less than those provided for in the 1950 crop purchase contract between said parties: *Provided*, That the processor-producer shall not reduce returns to producers below those determined herein through any subterfuge or device whatsoever.

STATEMENT OF BASES AND CONSIDERATIONS

(a) *General.* The foregoing determination establishes fair and reasonable prices which a processor-producer (i. e., a producer who is also, directly or indirectly, a processor of sugar beets—hereinafter referred to as "processor") must pay, as a minimum, for 1950 crop

sugar beets purchased from other producers as one of the conditions for payment under the act. In this statement the foregoing determination, as well as determinations for prior years, will be referred to as "price determination", identified by the crop year for which effective.

(b) *Requirements of the act and standards employed.* In determining fair and reasonable prices, the act requires that public hearings be held and investigations made. Accordingly, public hearings were held at Berkeley, California on October 26, 1949; Detroit, Michigan on January 3, 1950; Billings, Montana on January 6, 1950; Salt Lake City, Utah on January 9, 1950; and Greeley, Colorado on January 11, 1950.

In the 1950 crop price determination, consideration has been given to such testimony as was presented at the public hearings, comparative returns, costs and profits of processors and producers, relative investments, contracts negotiated between the parties, and to other pertinent economic factors.

(c) *Background.* Purchase contracts covering the terms and conditions of growing and purchasing sugar beet crops have been in use for many years. These contracts have been developed through negotiations between representatives of processors and producers. Many changes have been effected in the contracts throughout the years.

Contracts used in the beet area are of two types, generally known as (1) percentage sharing contracts and (2) scale type contracts. The former, used largely in the Great Lakes area and in a few other factory districts, provide, with some variations, that processors and producers shall share equally in the total net proceeds derived from the sale of sugar, beet pulp and molasses actually recovered from the beets. The second and more widely used type of contract provides a scale under which the effective price for sugar beets is determined from (1) the net proceeds (per one hundred pounds) derived from the sale of sugar produced and (2) the percentage of sugar in the sugar beets. Under scale type contracts, prices for sugar beets are customarily expressed in terms of fixed prices per ton and are calculated on the basis of assumed recoveries of sugar. The actual recovery of sugar from the crop is not used as a basis for payment. In general, the producers' share ranges from 50 to 60 percent of total net sugar proceeds per ton of beets delivered, depending upon sugar content and the level of net returns.

Determinations of fair and reasonable prices for sugar beets have been issued each year since 1937, and except for the 1940 and 1941 crops in areas using scale type contracts, the prices payable in purchase contracts entered into between processors and producers have been determined to be fair and reasonable. The 1940 and 1941 price determinations established specific prices per ton of sugar beets at various levels of net returns and percentages of sugar in the beets; eliminated the clause contained in some contracts under which provision

was made for an accelerating rate of reduction in payments to producers when net proceeds from sugar fell below \$3.25 per one hundred pounds; and eliminated the use of a net return, for settlement purposes, obtained by averaging the net proceeds from the sale of sugar by more than one processor.

Although the 1948 and 1949 crop price determinations approved prices payable in purchase contracts, such approvals did not constitute an evaluation of those provisions of the contracts applicable to net return levels resulting from sugar prices materially higher or lower than the prices prevailing at the time of issuance of such determinations. The prices provided in these purchase contracts for sugar beets differed significantly from previous years. Except for the war years when price support programs were in effect, the prices in scale type contracts generally were more favorable at net return levels of six cents or more per pound of sugar and generally less favorable at net return levels below six cents, although some improvements were made in the 1949 crop contracts over 1948 crop contracts in prices at net returns below six cents. In most of the percentage sharing contracts used in the Great Lakes area, contracts in 1948 and 1949 provided for an additional 15 percent of the sugar proceeds from net returns between 6.7 and 9 cents per pound.

(d) *1950 price determination.* The 1950 price determination provides that processors shall be deemed to have complied with section 301 (c) (2) of the act if they pay, or contract to pay, for sugar beets purchased from other producers prices not less than those provided for in 1950 crop purchase contracts.

Several 1950 crop purchase contracts contained changes from 1949 crop contracts. In the contracts of two companies operating under the percentage sharing basis producer participation in the net proceeds from sugar recovered by the operation of a Steffens plant was eliminated. Although this change constitutes a departure from the customary sharing relationships of prior years, it is understood that this change was submitted to growers and that the operation of these two Steffens plants for the 1950 crop, under current conditions, is on a trial basis. The experience gained through the operation of the plants for the 1950 crop will serve as a basis for establishing prices for future crops. Under these contracts producers will receive their customary share of straight house molasses.

Other changes in 1950 crop purchase contracts include the introduction of an individual test scale as well as a factory average test scale for one company, a change from an historical factory average sucrose test scale to an individual sucrose test scale in one factory of another company, and the use of company-wide net returns in settlements with producers rather than separate district averages in the case of another company. Minor changes also have been made in several other contracts. An examination of the 1950 contracts and available information on the changes which have

been made indicates that the returns to producers will not be significantly affected by the modifications which have occurred.

In analyzing the 1950 crop purchase contracts careful consideration has been given to economic conditions, volume of production, and price levels which are likely to exist during the production and marketing of the 1950 crop of sugar beets. Also, consideration has been given to comparative operating results of processors and producers which, for this purpose, have been computed by restating data obtained in a study for a previous crop to reflect probable 1950 crop conditions. The analysis indicates that prices payable for sugar beets in 1950 crop purchase contracts are fair and reasonable at the present level of sugar prices (7.70 cents per pound, seaboard basis refined cane sugar) and at levels of sugar prices reasonably above and below the present levels. Following the policy adopted in the fair price determination for the 1948 and 1949 crops, no attempt has been made in this determination to evaluate prices payable for sugar beets at sugar prices materially higher or lower than those which now exist.

Accordingly, I hereby find and conclude that the foregoing price determination will effectuate the price provisions of the Sugar Act.

(Sec. 403, 61 Stat. 932; 7 U. S. C. Sup., 1153. Interprets or applies sec. 301, 61 Stat. 929; 7 U. S. C. Sup., 1131)

Issued this 9th day of June 1950.

[SEAL] CHARLES F. BRANNAN,
Secretary of Agriculture.

[F. R. Doc. 50-5089; Filed, June 13, 1950; 8:51 a. m.]

Chapter IX—Production and Marketing Administration (Marketing Agreements and Orders), Department of Agriculture

PART 981—IRISH POTATOES GROWN IN SOUTHEASTERN STATES

APPROVAL OF BUDGET OF EXPENSES AND FIXING RATE OF ASSESSMENT

Notice of proposed rule-making regarding rules and regulations relative to a proposed budget and rate of assessment, to be made effective under Marketing Agreement No. 104 and Order No. 81 (13 F. R. 2709), regulating the handling of Irish potatoes grown in the Southeastern States production area, was published in the FEDERAL REGISTER (15 F. R. 2912). This regulatory program is effective pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (48 Stat. 31, as amended; 7 U. S. C. 601 et seq.; 61 Stat. 202, 707; 62 Stat. 1247; 63 Stat. 1051). After consideration of all relevant matters presented, including the rules and regulations set forth in the aforesaid notice, which rules and regulations were adopted and submitted for approval by the Southeastern Potato Committee (established pursuant to said agreement

and order), the following rules and regulations are hereby approved.

§ 981.203 *Budget of expenses and rate of assessment*—(a) *Findings*. It is hereby found that it is impracticable and contrary to the public interest to give 30 days notice of the effective date of this order in that: (1) Shipments of potatoes from the production area are now being made and have been taking place since the beginning of harvest for the 1950 crop year; (2) assessments under the order apply to all shipments during the crop year; (3) notice has been given of the proposed rate of assessment by publication thereof as required by law (15 F. R. 2912) and, in addition, the Southeastern Potato Committee has given specific notice to handlers; and (4) the assessment rate should be approved upon publication hereof in order to effectuate the declared policy of the act.

(b) *Order*. (1) The expenses necessary to be incurred by the Southeastern Potato Committee, established pursuant to Marketing Agreement No. 104 and Order No. 81, to enable such committee to perform its functions, pursuant to provisions of the aforesaid marketing agreement and order, during the fiscal year ending October 31, 1950, will amount to \$47,250.00;

(2) The rate of assessment to be paid by each handler who first ships potatoes shall be three-fourths of a cent per hundredweight of potatoes handled by him as the first handler thereof during said fiscal year; and

(3) Terms used herein shall have the same meaning as when used in Marketing Agreement No. 104 and Order No. 81. (Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. and Sup., 608c)

Done at Washington, D. C., this 9th day of June 1950, to be effective upon publication hereof in the FEDERAL REGISTER.

[SEAL] CHARLES F. BRANNAN,
Secretary of Agriculture.

[F. R. Doc. 50-5076; Filed, June 13, 1950; 8:47 a. m.]

TITLE 9—ANIMALS AND ANIMAL PRODUCTS

Chapter I—Bureau of Animal Industry, Department of Agriculture

Subchapter E—Viruses, Serums, Toxins, and Analogous Products; Organisms and Vectors

PART 119—ANTI-HOG CHOLERA SERUM

TEST PIGS; DOSAGE IN TESTS

Pursuant to the Virus-Serum-Toxin Act of March 4, 1913 (21 U. S. C. 151 et seq.), §§ 119.51 and 119.52 of the regulations issued under said act relating to anti-hog-cholera serum (9 CFR 119.51 and 119.52), are hereby amended to read respectively as follows:

§ 119.51 *Test pigs*. Licensees shall furnish all pigs used in testing anti-hog-cholera serum. Eight healthy pigs susceptible to hog cholera shall be used for

testing each batch of serum consisting of 300,000 cc. or less. Batches consisting of more than 300,000 cc. shall be tested on 11 such pigs instead of 8. Test pigs shall weigh not less than 40 pounds nor more than 90 pounds each: *Provided*, That pigs weighing 40 to 115 pounds each may be used for testing serum in tests started during the months of April, May, June and July in any year. However, pigs weighing 40 to 90 pounds each shall be used for testing serum previously found unsatisfactory for potency. The inspector supervising the test shall indicate the pigs which shall receive anti-hog-cholera serum with hog-cholera virus and those which shall receive the virus only.

§ 119.52 *Dosage in tests*. Each pig furnished at licensed establishments for testing anti-hog-cholera serum shall be injected with 2 cc. of hog-cholera virus. Three pigs in each test shall receive no serum and shall serve as controls. The remaining pigs in the test shall receive 15 cc. each of the serum to be tested, except that pigs weighing more than 90 pounds may receive 20 cc. The virus and serum injections shall be made simultaneously, the virus being injected in the left axillary space, and the serum in the right. Each of the pigs in the test shall be injected with virus of the same serial number, the virus to be selected and administered by an inspector.

Experience has shown that the difficulty encountered by producers, during April, May, June and July, in procuring pigs of the weight now required by the regulations for testing anti-hog-cholera serum causes the supply of tested serum for use in immunizing swine against hog cholera to reach a dangerously low level in the early summer which is the period of heaviest demand. This period is now well advanced, and, in order to speed the return of the supply of tested serum to a safe level, it is necessary to relax the weight requirements for test pigs as quickly as possible. Numerous requests have been received for such relief each year.

For these reasons it is found, under section 4 (a) of the Administrative Procedure Act (5 U. S. C. 1003 (a)), upon good cause that notice and public procedure on the foregoing amendment are impracticable, unnecessary, and contrary to the public interest. Since the amendment relieves restrictions it may be made effective under section 4 (c) of said act (5 U. S. C. 1003 (c)) less than 30 days after its publication in the FEDERAL REGISTER.

This amendment shall be effective immediately upon publication in the FEDERAL REGISTER.

(37 Stat. 832; 21 U. S. C. 154)

Done at Washington, D. C., this 9th day of June 1950.

[SEAL] CHARLES F. BRANNAN,
Secretary of Agriculture.

[F. R. Doc. 50-5094; Filed, June 13, 1950; 8:50 a. m.]

TITLE 24—HOUSING AND HOUSING CREDIT

Chapter VIII—Office of Housing Expediter

[Controlled Housing Rent Reg., Amdt. 253]

[Controlled Rooms in Rooming Houses and Other Establishments Rent Reg., Amdt. 250]

PART 825—RENT REGULATIONS UNDER THE HOUSING AND RENT ACT OF 1947, AS AMENDED

VIRGINIA

The Controlled Housing Rent Regulation (§§ 825.1 to 825.12) and the Rent Regulation for Controlled Rooms in Rooming Houses and Other Establishments (§§ 825.81 to 825.92) are amended in the following respects:

1. Schedule A, Items 339 through 346, are amended to read as follows:

(339)–(346) [Revoked and decontrolled.]

2. In Schedule A, all of Item 354b which relates to Bluefield Town in Tazewell County, Virginia, is deleted.

This amendment decontrols all Defense-Rental Areas or portions thereof in the State of Virginia, including that portion of the Bluefield, West Virginia, defense-rental area which is in the State of Virginia, based upon action taken by said State of Virginia in accordance with section 204 (j) (2) of the Housing and Rent Act of 1947, as amended.

(Sec. 204, 61 Stat. 197, as amended; 50 U. S. C. App. Supp. 1894)

This amendment shall become effective June 25, 1950.

Issued this 10th day of June 1950.

TIGHE E. WOODS,
Housing Expediter.

[F. R. Doc. 50-5078; Filed, June 13, 1950; 8:47 a. m.]

TITLE 32—NATIONAL DEFENSE

Chapter VII—Department of the Air Force

Subchapter F—Reserve Forces

PART 861—OFFICERS' RESERVE

REAPPOINTMENT OF U. S. AIR FORCE RESERVE OFFICERS

| | |
|---------|--|
| Sec. | |
| 861.851 | Purpose. |
| 861.852 | Policy. |
| 861.853 | General. |
| 861.854 | Qualifications. |
| 861.855 | Reappointment responsibility. |
| 861.856 | Authority to reappoint. |
| 861.857 | Procedure. |
| 861.858 | Delegation of authority and functions. |

AUTHORITY: §§ 861.851 to 861.858 issued under R. S. 161, 5 U. S. C. 22. Interpret or apply sec. 37, 39 Stat. 189, as amended, sec. 32, 41 Stat. 776, sec. 1, 49 Stat. 1028, as amended, 62 Stat. 87, sec. 304, 62 Stat. 1088; 10 U. S. C. 351-353, 369, 369a, 10 U. S. C. Sup., 1036c.

DERIVATION: AFL 36-29.

§ 861.851 *Purpose*. Sections 861.851 to 861.858 provide for reappointment of

U. S. Air Force Reserve officers who were appointed subsequent to June 28, 1945.

§ 861.852 Policy. Pursuant to provisions of sec. 304, 62 Stat. 1088; 10 U. S. C. Sup 1036c, and section 37, National Defense Act (39 Stat. 189 as amended; 10 U. S. C. 351-353, 355a, 358), officers who were appointed in the U. S. Air Force Reserve subsequent to June 28, 1945 will be tendered a new appointment valid for five years to be effective the day following date of expiration of current appointment, provided that they qualify for such reappointment in accordance with the provisions of §§ 861.851 to 861.858. Reappointment will be in the same grade as the reserve grade held upon expiration of current appointment. The intent of the provisions of this policy is not to be construed as an automatic reappointment procedure. The procedure should serve to:

(a) Eliminate those who are not interested in continuing their Reserve status.

(b) Assure retention in the Organized Reserve and Volunteer Reserve of only those Reservists who are physically qualified. (Those found not physically qualified to be transferred to the Inactive Reserve in consonance with current directives.)

(c) Serve as an accounting for the Air Force Reserve.

(d) Provide initial notice regarding the intended future policy to reappoint personnel only against requirements.

§ 861.853 General. Section 37, National Defense Act, (39 Stat. 189 as amended; 10 U. S. C. 351-353, 355a, 358) provides that appointment in every case in the Officers' Reserve Corps shall be for a period of five years, but an appointment in force at the outbreak of war shall continue in force until six months after its termination. Officers who were appointed in the United States Air Force Reserve prior to June 29, 1945 are afforded, if they qualify, the opportunity to obtain a new appointment under the provisions of current directives. Appointments of personnel appointed subsequent to June 28, 1945 will begin to expire after June 28, 1950.

§ 861.854 Qualifications. (a) All officers appointed subsequent to June 28, 1945 in the Air Force Reserve whose appointments are still valid are eligible for reappointment upon the expiration of their original appointment provided:

(1) Official correspondence concerning reappointment is answered promptly (See §§ 866.1 to 866.3, 14 F. R. 7808, 7809).

(2) Instructions concerning the execution of Oath of Office, physical examinations, and other required administrative actions are complied with.

(b) Failure to comply with paragraph (a) of this section will be sufficient evidence of disinterest to cause automatic withdrawal of tendered appointment.

§ 861.855 Reappointment responsibility. (a) The Air Adjutant General, Headquarters United States Air Force, will be responsible for the reappointment of:

(1) Members of the Honorary Reserve.
(2) Personnel serving on extended active duty in a warrant officer status,

who concurrently hold a U. S. Air Force Reserve appointment.

(b) Each major air commander is responsible for the reappointment of all U. S. Air Force Reserve officers under his jurisdiction serving on extended active duty as commissioned officers.

(c) The Commanding General, Continental Air Command, is responsible for the reappointment of all other U. S. Air Force Reserve officers. This includes members of the Organized Reserve, the Volunteer Reserve, the Inactive Reserve, and U. S. Air Force Reserve officers serving in an enlisted status in the Regular Air Force.

§ 861.856 Authority to reappoint. The commanders listed in § 861.855 will announce reappointments in the U. S. Air Force Reserve in the name of the Secretary of the Air Force, by direction of the President.

§ 861.857 Procedure. (a) For U. S. Air Force Reserve officers serving on extended active duty in commissioned or warrant officer status:

(1) Each officer will be tendered, upon the expiration of his current U. S. Air Force Reserve appointment, a Letter of Reappointment dated as of the date following expiration of current appointment, which will be valid from date of issuance upon receipt of properly executed Oath of Office.

(2) Oath of Office and a copy of Letter of Reappointment will be forwarded to the Air Adjutant General, Headquarters United States Air Force, Washington 25, D. C., for file in the officer's Master Personnel Records.

(3) No physical examination is required for this category of personnel.

(b) For U. S. Air Force Reserve officers who are members of the Honorary Reserve each officer will be tendered, upon the expiration of his current U. S. Air Force Reserve appointment, a Letter of Reappointment dated as of the day following expiration of current appointment, which will be valid from date of issuance upon receipt of properly executed Oath of Office.

(c) For all other U. S. Air Force Reserve officers:

(1) The Commanding General, Continental Air Command, will tender, upon the expiration of an officer's current U. S. Air Force Reserve appointment, a Letter of Reappointment dated as of the day following expiration of current appointment which will be valid from date of issuance provided appointee returns properly executed Oath of Office and completed Standard Forms 88 and 89 in compliance with instructions furnished with Letter of Reappointment.

(2) A final type physical examination less serology, chest X-ray, electrocardiogram, audiogram determination, microscopic urinalysis, and lens correction, is required for this category of personnel, unless a final type physical examination has been completed within a calendar year prior to date of reappointment and is a matter of record. The report of physical examination may be accomplished at any Air Force installation which has adequate medical facilities and personnel available, without expense to the applicant for the

actual physical examination. The report of physical examination also may be accomplished and signed by a medical officer of any component of the Armed Forces of the United States, whether he is on active duty or inactive duty status, or in the absence of the medical officer, the report of physical examination may be accomplished and signed by any reputable doctor of medicine, without expense to the Government.

(3) No physical examination is required for U. S. Air Force Reserve officers serving in an enlisted status.

§ 861.858 Delegation of authority and functions. Major air commanders may delegate the authority and functions vested in them as they consider appropriate in carrying out the provisions of §§ 861.851 to 861.858.

[SEAL]

E. H. NELSON,
Colonel, U. S. Air Force,
Deputy Air Adjutant General.

[F. R. Doc. 50-5079; Filed, June 13, 1950;
8:47 a. m.]

TITLE 45—PUBLIC WELFARE

Chapter V—War Claims Commission

Subchapter B—Receipt, Adjudication and Payment of Claims

PART 507—ENTITLEMENT TO AWARD

SUBPART C—REIMBURSEMENT TO RELIGIOUS ORGANIZATIONS AND PERSONNEL THEREOF

Sec.

- 507.50 Religious organization functioning in the Philippine Islands.
- 507.51 Affiliated with a religious organization in the United States.
- 507.52 Personnel of any such Philippine organization.
- 507.53 Reimbursement.
- 507.54 Expenditures incurred.
- 507.55 Fair value of supplies used.
- 507.56 Furnishing shelter, food, clothing, hospitalization, medicines and medical services and other relief.
- 507.57 Members of the armed forces of the United States.
- 507.58 Civilian American citizens (as defined in section 5 of the act).

AUTHORITY: §§ 507.50 to 507.58 issued under sec. 2, 62 Stat. 1240; 50 U. S. C. App. Sup. 2001.

SUBPART C—REIMBURSEMENT TO RELIGIOUS ORGANIZATIONS AND PERSONNEL THEREOF

§ 507.50 Religious organization functioning in the Philippine Islands. A "religious organization functioning in the Philippine Islands" means any church, sect, denomination, religious order or congregation, or any group, body, corporation, association or other entity formed for religious purposes, professing and adhering to the tenets of some particular religious faith or form of worship and which maintained under its auspices in the Philippine Islands, on or after December 7, 1941, a church, chapel, or other place of divine worship or a religious house, community, mission, convent or facilities for divine worship, or operated a school, dormitory, hospital, dispensary, orphanage or other like institutions under religious auspices; or any part, division or association of such churches, sects, denominations, religious

orders, congregations, groups, bodies, corporations or entities.

§ 507.51 *Affiliated with a religious organization in the United States.* A religious organization functioning in the Philippine Islands will be deemed to have been affiliated with a religious organization in the United States when (a) by its charter or articles of association, incorporation or its rules, regulations or constitution it was a branch, part or division of a religious organization operating in the United States; or (b) by its rules, regulations or customs was subject to the control or directions of the duly constituted authorities of a church, sect, or religious order operating in the United States; or (c) it was directly supported financially, in whole or in part, by a church, sect, or religious organization operating in the United States; or, furnished or exchanged personnel with such organizations under conditions determined by the Commission to be consistent with the intent and purpose of section 7 of the act.

§ 507.52 *Personnel of any such Philippine organization.* The personnel of such Philippine organization shall be deemed to include any person who held office therein by reason of appointment, ordination, consecration, profession, religious vows or other form of ceremonial admission to ministerial religious status, and any duly authorized representative, agent or employee of such organization.

§ 507.53 *Reimbursement.* Reimbursement or repayment of expenditures incurred shall be made whenever possible in dollars, the amount of the award to be computed on the basis of the rate of exchange applicable at the date such expenditures were incurred.

§ 507.54 *Expenditures incurred.* An expenditure shall be deemed to have been incurred by such Philippine organization or the personnel thereof, when money or any other article of calculable value which was the property of, or for which such organization or personnel was obliged to make repayment or restitution, was voluntarily spent, paid over, donated, contributed, used or consumed, or which, after being designated for use in accordance with the terms of section 7 of the War Claims Act of 1948, was lost, confiscated, or destroyed, while held for delivery or during delivery, to, or in behalf of the persons described in §§ 507.57 and 507.58: *Provided*, That the aforesaid expenditures were not incurred in accordance with an agreement with the Japanese authorities which provided for compensation.

§ 507.55 *Fair value of supplies used.* The fair value of supplies used means the original cost of such supplies or the present replacement value, whichever is greater. In the event the supplies have already been replaced at a cost in excess of either the original cost or the present replacement price, the actual amount thus expended shall constitute the fair value. If such amount expended for replacement is less than the present replacement price then the original cost or the actual amount expended in replacing such supplies, whichever is greater, shall

constitute the fair value. The fair value of services furnished in accordance with the provisions of section 7 means either the fee, price or rental charge prevailing in the Philippine Islands at the time such services were furnished or such fixed or standard valuation as the Commission shall establish. In computing the fair value of supplies used or services furnished any compensation received by the claimant, in pursuance thereof, whether at the time of the delivery or use of the supplies, at the time of performance of the service, or subsequent thereto, shall be deducted. Whenever the claimant is unable to adduce relevant, reliable and probative evidence which tends to establish fair value, the Commission will establish as the fair value of the supplies used or the services performed, an amount which, being consistent with the intent and purpose of section 7 of the act, it deems equitable and reasonable.

§ 507.56 *Furnishing shelter, food, clothing, hospitalization, medicines, and medical service and other relief.* A religious organization functioning in the Philippines will be deemed to have furnished shelter, food, clothing, hospitalization, medicines and medical aid in the Philippines when such organization or its personnel voluntarily, either directly or indirectly, provided refuge for, fed, clothed, provided hospital, medical, and nursing services to, or supplied medicines, drugs, religious articles and the like, or furnished such other services and supplies determined by the Commission to be consistent with the intent and purpose of section 7 of the act, or provided funds or other means whereby such things were provided, or where items of supply after being designated for such use were confiscated, or destroyed while held for delivery or during delivery, to or in behalf of the persons described in §§ 507.57 and 507.58: *Provided*, That such shelter, food, clothing, hospitalization, medicines, and medical aid, and the like were not furnished in accordance with an agreement with Japanese authorities which provided for compensation.

§ 507.57 *Members of the armed forces of the United States.* Members of the armed forces of the United States shall mean any regularly appointed, enrolled, enlisted, or inducted member of the military or naval forces of the United States Army, Navy, Marine Corps and Coast Guard; commissioned officers of the United States Public Health Service who were detailed for active duty with the Army, Navy, Marine Corps or Coast Guard; commissioned officers of the United States Coast and Geodetic Survey who were assigned to duty during World War II on projects of the War and Navy departments outside the continental United States; members of the organized Philippine Army of the government of the Commonwealth of the Philippines and other units who were called or ordered into service of the armed forces of the United States in valid orders by the General, United States Army, designated by the Secretary of War, pursuant to and in compliance with the Military Order of the President of the United

States, dated July 26, 1941 (3 CFR, 1943 Cum. Supp.).

§ 507.58 *Civilian American citizen (as defined in section 5 of the Act).* The term "civilian American citizen" means any person who, being then a citizen of the United States, was captured by the Imperial Japanese Government on or after December 7, 1941, at Midway, Guam, Wake Island, the Philippine Islands, or any Territory or possession of the United States attacked or invaded by such government, or while in transit to or from any such place, or who went into hiding at any such place in order to avoid capture or internment by such government.

DANIEL F. CLEARY,
Chairman, War Claims Commission.

[F. R. Doc. 50-5085; Filed, June 13, 1950;
8:48 a. m.]

TITLE 47—TELECOMMUNICATION

Chapter I—Federal Communications Commission

PART 13—COMMERCIAL RADIO OPERATORS Correction

The following correction should be made in the Saturday, May 20, 1950, issue of the FEDERAL REGISTER:

At page 3104, column 2, item 6, line 3, should be corrected to read as follows: "new exceptions numbered (7) and (6)".

FEDERAL COMMUNICATIONS
COMMISSION,
[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 50-5082; Filed, June 13, 1950;
8:48 a. m.]

TITLE 49—TRANSPORTATION

Chapter I—Interstate Commerce Commission

[Service Order 853]

PART 95—CAR SERVICE

REDUCED RATES ON GIANT REFRIGERATOR CARS

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 8th day of June A. D. 1950.

It appearing, that there is a shortage of refrigerator cars in California and Arizona and that certain Transcontinental Freight Bureau tariffs contain rate penalties on the use of giant type refrigerator cars, in the opinion of the Commission an emergency exists requiring immediate action in California and Arizona. It is ordered, that:

§ 95.853 *Reduced rates on giant refrigerator cars—(a) Rates applicable.* Common carrier by railroad subject to the Interstate Commerce Act serving points in Arizona and California, shall furnish without regard to ownership for loading with commodities, in carloads, suitable for transportation in refrigera-

tor cars, and shall accept and transport such commodities in giant type refrigerator cars as defined in paragraph (b) of this section, at the freight rates applicable on the same commodities when loaded in standard refrigerator cars (cars with inside length between bulkheads—loading space—of less than 37 feet 6 inches).

(b) *Giant refrigerator car defined.* For the purpose of this order, the term "giant refrigerator cars" is defined as refrigerator cars (1) with inside measurement between bulkheads (loading space) of not less than 37 feet 6 inches, and (2) convertible refrigerator cars with collapsible bunkers having inside length between bulkheads (loading space) of less than 37 feet 6 inches with bulkheads in place and in excess of 37 feet 6 inches with bulkheads collapsed.

(c) *Cars exempt from order.* The provisions of this section shall not be construed to include the following cars:

| Initial: | Numbers, inclusive |
|-----------|--------------------|
| BRE----- | 300 to 329 |
| WFE----- | 400 to 500 |
| FGE----- | 600 to 699 |
| URT----- | 89000 to 89049 |
| FOBX----- | 750 to 799 |

(d) *Tariff provisions suspended.* The operation of all tariff rules, regulations, or charges insofar as they conflict with this section is hereby suspended.

(e) *Announcement of suspension.* Each railroad, or its agent, shall file and post a supplement to each of its tariffs affected hereby, substantially in the form authorized in Rule 9 (k) of the Commission's Tariff Circular No. 20 (§ 141.9 (k) of this chapter) announcing the suspension of the operation of any of the provisions therein, and establishing the substituted provisions above set forth.

(f) *Effective date.* This section shall become effective at 12:01 a. m., June 9, 1950.

(g) *Expiration date.* This section shall expire at 11:59 p. m., July 15, 1950,

unless otherwise modified, changed, suspended or annulled by order of this Commission.

It is further ordered, That a copy of this order and direction shall be served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

(Sec. 12, 24 Stat. 383, as amended; 49 U. S. C. 12. Interprets or applies sec. 1, 24 Stat. 379, as amended; 49 U. S. C. 1)

By the Commission, Division 3.

[SEAL]

W. P. BARTEL,
Secretary.

[F. R. Doc. 50-5084; Filed, June 13, 1950; 8:48 a. m.]

PROPOSED RULE MAKING

DEPARTMENT OF THE TREASURY

Bureau of Internal Revenue

[26 CFR, Part 182]

INDUSTRIAL ALCOHOL

NOTICE OF PROPOSED RULE-MAKING

Notice is hereby given pursuant to the Administrative Procedure Act, approved June 11, 1946, that the regulations set forth in tentative form below are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury. Prior to final adoption of such regulations, consideration will be given to any data, view, or arguments pertaining thereto which are submitted in writing, in duplicate, to the Commissioner of Internal Revenue, Washington 25, D. C., within the period of 30 days from the date of this notice in the FEDERAL REGISTER. The proposed regulations are to be issued under the authority of sections 2800, 2801, 2808, 2809, 2815, 2823, 2829, 2885, 2886, 2891, 3101, 3103, 3105, 3106, 3107, 3108, 3109, 3114, 3124, 3125, 3170, and 3176, I. R. C. and section 1126, 44 Stat. 122 (6 U. S. C. 15).

[SEAL] GEO. J. SCHOENEMAN,
Commissioner of Internal Revenue.

1. Regulations 3, approved March 6, 1942 (26 CFR, Part 182) as amended, are hereby amended as follows:

a. Sections 182.1, 182.8, 182.10 (d), 182.15 (a), 182.21 (c), 182.44, 182.49, 182.63, 182.64, 182.65, 182.71, 182.72, 182.74, 182.82, 182.82a, 182.83, 182.85, 182.119, 182.126, 182.195, 182.199, 182.203, 182.271, 182.274, 182.282, 182.290, 182.291, 182.292, 182.293, 182.295, 182.296, 182.297, 182.302, 182.304, 182.305, 182.308, 182.312, 182.313, 182.314, 182.317, 182.318, 182.319, 182.320, 182.321, 182.327, 182.328, 182.400, 182.404, 182.405, 182.407, 182.408, 182.408m, 182.447, 182.483, 182.495, 182.498, 182.500, 182.513, 182.515, 182.524, 182.565, 182.574a, 182.574e, 182.611, 182.625, 182.759, 182.847, 182.877, and 182.997, are amended;

b. Sections 182.74a, 182.82b, 182.82c, 182.119a, 182.119b, 182.119c, 182.271a, 182.281a, 182.282a, 182.303a, and 182.407a are added; and

c. Sections 182.201, 182.288, 182.289, 182.294, 182.307, 182.309, 182.326, 182.499, 182.574f, 182.643 (c) and 182.718 are revoked.

§ 182.1 *Premises and equipment heretofore approved.* All establishments covered by the regulations in this part and the equipment therein, heretofore established and approved, may continue to operate if constructed and equipped so as to afford adequate security and protection to the revenue. The district supervisor may, at any time, require the proprietor to make changes therein conforming to the provisions of the regulations in this part, if deemed necessary to safeguard the revenue or to permit more economical and efficient supervision by

Government officers. All establishments hereafter constructed and all changes in existing establishments or equipment heretofore approved must be in conformance with the regulations in this part.

(Secs. 2823, 2829, 3105, 3124, 3170, 3176, I. R. C.)

§ 182.8 *Experimental industrial alcohol plants.* Experimental industrial alcohol plants may, in the discretion of the Commissioner, be established for a specific and limited period of time for the purpose of experimentation in, or development of processes and sources of materials from which alcohol may be produced, or in manufacturing processes in which alcohol is produced. The Commissioner may exempt the proprietor, in so far as consistent with the law, from any of the provisions of the regulations in this part, and the Commissioner may authorize the district supervisor to issue permit to operate under such conditions and restrictions as the Commissioner may deem proper: *Provided*, That application Form 1431, and bond, Form 1432-A, shall be filed.

(Secs. 3105, 3124, 3176, I. R. C.)

§ 182.10 *Industrial alcohol bonded warehouses.*

(d) *Discretion of district supervisor.* The district supervisor may disapprove any application for the establishment of a bonded warehouse not to be located on the premises of an industrial alcohol plant, or in any locality where the safety of the alcohol and the revenue would be endangered, or where satisfactory evidence as to the need for the warehouse is not submitted, or where the prospective volume of business is insufficient to warrant the expense of supervision of the warehouse by Government officers.

(Secs. 3101, 3105, 3124, 3176, I. R. C.)

§ 182.15a *Equipment not in buildings.* Notwithstanding other provisions of the regulations in this part, the district supervisor may, in his discretion, approve industrial alcohol plants consisting, in whole or in part, of equipment and apparatus not located in a room or building, if, in his opinion, the location and construction are such that the safety of the alcohol and the revenue are not endangered. High-wine tanks, receiving tanks, and other tanks used for the receipt and storage of alcohol must be enclosed and protected in the manner required by § 182.44. An adequate number of electric floodlights shall be installed for properly lighting the premises at night. Any other protective measures deemed essential by the district supervisor or Commissioner may be required.

(Secs. 3105, 3124, 3176, I. R. C.)

§ 182.21 *Windows in receiving and wine rooms.*

(c) *Extension of requirements.* The district supervisor may require any other windows in the receiving and wine rooms to be protected by iron bars or shutters,

or both, when deemed necessary to safeguard the alcohol.

(Secs. 3105, 3124, 3176, I. R. C.)

§ 182.44 *Storage tanks as warehouses.* The district supervisor may approve permanent storage tanks not located within a room or building as a bonded warehouse or a part thereof: *Provided*, That such tanks are constructed, equipped, and enclosed in conformity with the following requirements:

(f) *Additional requirements.* The district supervisor may require, in any case in which he deems it necessary, either the installation of electric floodlights for lighting the tank enclosure or the maintenance of watchman services or both or other protective measures or devices.

(Secs. 2823, 3101, 3105, 3124, 3170, 3176, I. R. C.)

DENATURING PLANTS

§ 182.49 *Construction.*

(b) *If not located on industrial alcohol plant or bonded warehouse premises.* If the denaturing plant is not to be located on the premises of an industrial alcohol plant or bonded warehouse, pursuant to authority granted by the district supervisor, it may consist of a building or a room or floor of a building, in which case it must be completely separated from all other buildings, rooms and floors, which are not a part of the denaturing plant, by solid unbroken floors and walls of substantial construction, extending from the ground or floor to the roof or ceiling. The doors and other openings must open into a public street or into the yard connected with the denaturing plant, or into an elevator shaft or common passageway partitioned off from all other businesses, and leading either directly or through another elevator shaft or similar passageway to the street or yard in accordance with the provisions of § 182.41.

(Secs. 3105, 3124, 3170, 3176, I. R. C.)

§ 182.63 *Scales for weighing packages.* The proprietor must provide in the receiving room suitable and accurate scales for weighing packages of alcohol. The beams or dials of such scales must indicate weight in one-half pound graduations: *Provided*, That if packages containing exactly 1, 2, 5 and 10 wine gallons, which would require weighing in terms of pounds and ounces, are filled, scales indicating weight in one-ounce graduations must be provided.

(Secs. 3105, 3124, 3176, I. R. C.)

§ 182.64 *Weighing tanks for alcohol.* Where alcohol is to be removed from the receiving room by pipeline the proprietor must provide in the receiving room one or more suitable weighing tanks, unless such removals are limited to transfer of alcohol to a weighing tank in a bonded warehouse or denaturing plant operated

by the proprietor on the same or contiguous premises as provided by § 182.407. Weighing tanks for alcohol shall be constructed of metal and shall be stationary and each such tank shall be calibrated and equipped with a suitable measuring device whereby the contents will be correctly indicated. The district supervisor will have the calibration of each weighing tank verified by a Government officer. The inlet and outlet pipe connections of each weighing tank must be fitted with valves so constructed that they can be secured with Government locks, and any other openings in such tanks must be so constructed that they can be closed and similarly locked. Each weighing tank shall be mounted on accurate scales and shall have plainly and legibly painted thereon the words "Weighing Tank," followed by its serial number and capacity in gallons. Where removals are regularly made for shipment by tank car, weighing tanks must be of sufficient capacity to load a tank car, or tank car compartment, in a single gauging operation. Beams or dials of tank scales must be graduated to enable readings to be made as follows: To the nearest one-half pound for weighing lots of spirits not exceeding 2,000 pounds; to the nearest 1 pound for weighing lots of spirits over 2,000 pounds but not over 6,000 pounds; to the nearest 2 pounds for weighing lots of spirits over 6,000 pounds but not exceeding 20,000 pounds; to the nearest 5 pounds for weighing lots of spirits over 20,000 pounds but not over 50,000 pounds; and to the nearest 10 pounds for weighing lots of spirits weighing over 50,000 pounds.

(Secs. 2808, 3105, 3107, 3124, 3176, I. R. C.)

§ 182.65 *Scales or measuring tanks for distilling materials.* The proprietor must provide on the industrial alcohol plant premises suitable and accurate scales for the weighing of grain and other nonliquid distilling materials received and used: *Provided*, That where the proprietor receives shipments of materials by rail or motor carrier, the shipper's weights appearing on the bill of lading or invoice may be recorded as the amount received; and, in such cases, track or truck scales for weighing the materials received need not be furnished. If the industrial alcohol plant is equipped with meal hoppers mounted on scales the meal may be weighed therein. If molasses or other liquids are used as distilling materials, a suitable weighing or measuring tank must be provided for determining the quantity thereof.

(Secs. 2808, 3105, 3107, 3124, 3176, I. R. C.)

§ 182.71 *Fermenters.* Each fermenter must be constructed of wood, metal, concrete, or other suitable material, and so arranged as to permit proper examination thereof. Each fermenter must have plainly and legibly painted thereon the word "Fermenter," followed by its serial number and capacity in gallons, depth in inches, and, if of uniform dimensions and standing on end, the capacity per inch of depth. Where such tanks are of irregular dimensions the proprietor shall furnish the district supervisor a table, in duplicate, showing the capacity of the tank for each inch of depth. The district supervisor will retain one copy of

the table and forward the other to the storekeeper-gauger, who will retain the same in the Government office. The proprietor shall provide an accurate measuring rod marked in inches, or a steel tape, suitable for use in determining the contents of such tanks. When deemed necessary, the accuracy of the proprietor's calibration of fermenters will be verified by Government officers. (Secs. 3103, 3105, 3124, 3176, I. R. C.)

§ 182.72 *Washwater receiving tanks.* If carbon dioxide is recovered and the washwater is to be utilized in the manufacture of alcohol, there must be provided a sufficient number of washwater receiving tanks, which shall be constructed of metal. Each such tank shall be equipped with a suitable measuring device whereby the actual contents will be correctly indicated. There must be painted on each tank the words "Washwater Receiving Tank," followed by its serial number and capacity in gallons. The outlet valve must be equipped for locking with a Government lock. Such tanks, if connected with low-wine tanks, stills, or other distilling apparatus, shall be connected by means of fixed metal pipelines for the purpose of transferring the washwater. If the washwater is not used in the manufacture of alcohol as provided by § 182.391, washwater receiving tanks need not be provided.

(Secs. 2823, 2829, 3105, 3124, 3176, I. R. C.)

§ 182.74 *General requirements for tanks.* All tanks used as receptacles for spirits between the outlet of the first condenser or worm and the receiving tanks shall be constructed of metal, and shall be equipped with a suitable measuring device whereby the actual contents will be correctly indicated. Where such tanks are of irregular dimensions the proprietor shall furnish to the district supervisor a table, in duplicate, showing the capacity of the tank for each inch of depth. The district supervisor will retain one copy of the table and forward the other to the storekeeper-gauger who will retain the same in the Government office. All tanks must be so constructed as to permit proper examination thereof, and so arranged as to leave an open space of not less than three feet between the top and the roof or floor above. Where tanks are equipped with manholes or valves in the top, which are required to be locked with Government locks, suitable walks or landings with steps or stairways leading thereto, must be provided near the top of such tanks in order that ready access may be had by Government officers to the manholes. District supervisors may require such walks or landings, with steps or stairways leading thereto to be installed at plants now operating, where the tanks have manholes or valves in the top, which are required to be locked with Government locks, and the present method of gaining access to the top of the tanks is hazardous or unsafe to Government officers who are required to open and close the locks on such manholes or valves or to inspect the contents of the tanks from time to time. All tanks, such as low-wine tanks, high-wine tanks, heads and tails tanks,

fusel oil tanks, distilled water tanks, and similar equipment, shall each have plainly and legibly painted thereon its designated use, serial number, and capacity in gallons. Manheads, inlets, and outlets of the tanks and all openings in the distilling apparatus and equipment, except column stills, whereby access may be had to the alcohol must be provided with facilities for locking with Government locks or otherwise securely fastened or sealed: *Provided*, That distilled water storage tanks need not be so equipped unless a pipeline is connected therewith for the conveyance of distilled water to contiguous establishments, as provided in § 182.76. Tanks used as receptacles for alcohol may be permanently connected with pipelines for the conveyance thereto of air and distilled water, but the distilled water pipeline must be affixed to the top of the tanks, and may not extend into the tank. Such pipelines must be equipped with a control valve which may be locked with a Government lock. Pipelines used for the conveyance of air must also be equipped with a check valve located near the point of entry to the tank in order to effectively prevent abstraction of alcohol from the tank. Other pipelines, except those used for the conveyance of alcohol, may not be permanently connected with such tanks.

(Secs. 2823, 2829, 3105, 3124, 3176, I. R. C.)

§ 182.74a *Measuring devices for alcohol tanks.* All tanks used as receptacles for alcohol shall be equipped with floats and counterweights and a proper scale whereby the actual contents will be correctly indicated, except that tanks located in a locked room may be equipped with suitable and accurate glass gauges: *Provided*, That the use of other suitable and accurate measuring devices may be authorized by the Commissioner upon application of the proprietor. The openings in the tanks for cords or wires for floats and counterweights must be no larger than are absolutely necessary to accommodate the cords or wires. Where tanks equipped with floats and counterweights are in a locked room, the scale should be extended to the outside of the room to permit ascertainment of the contents of the tank and thus guard against overflow without the necessity of opening the door of the room. Where tanks in a locked room are equipped with glass gauges, a properly barred and secured window must be provided in the wall or door to permit reading the gauge.

(Secs. 2823, 2829, 3105, 3124, 3176, I. R. C.)

§ 182.82 *Pipelines.* The distilling apparatus and equipment must be closed and continuous, commencing with the first still in which the vapors rise and continuing with securely closed vessels and pipes to the receiving tanks in which the finished product is deposited. All such pipelines must be of a fixed and permanent character, constructed of metal, or other material affording necessary protection, and so arranged as to be exposed to view in their entirety. All valves, unions, flanges, and other detachable connections in the pipelines of the distilling equipment from the point where the vapors rise in the first still to the receiving tanks must be so secured

by brazing, welding, fastening and sealing, or locking with Government locks as to effectually prevent disconnection and access to the alcohol. Pipelines authorized by this part for use in the conveyance of alcohol from the receiving room to establishments on the same or contiguous premises shall be constructed and secured in like manner and shall be so arranged that each such pipe line can be completely drained after each transfer of alcohol: *Provided*, That such pipelines may be connected with weighing tanks by means of flexible metal hose with ends brazed or welded to the outlet of the tank and to the pipeline, or by means of short, detachable hose connections, if the end of the pipeline is fitted with a valve so constructed that it may be secured with a Government lock. A separate pipeline must be installed to each plant to which transfer of alcohol by pipeline is authorized, or for the loading or unloading of tank cars, except as provided in § 182.513. Such pipelines may be connected only to the tanks to or from which transfer of alcohol is authorized, except, where two or more tanks are used for the same purpose, manifold connections may be used. Manifold connections must be equipped with valves which may be secured with Government locks and so arranged as to permit complete control of alcohol into or out of each tank. There shall be painted on each pipeline extending to and from a manifold a legend showing the kind and serial number of the tank or the type and registry number of the contiguous establishment with which the pipeline is connected. Where there are separate pipelines leading directly from a tank to a tank car loading zone or an establishment on the same or contiguous premises, a legend indicating the use of such pipeline or the type and registry number of the contiguous establishment shall be painted thereon. Pipelines shall be kept painted in the colors required by § 182.83.

(Secs. 2820, 2823, 2829, 2883, 3105, 3124, 3176, I. R. C.)

§ 182.82a *Preparation for sealing flanges.* Where flanges and other detachable connections in the pipelines (other than unions or valves) are not secured by welding or brazing, and are not to be secured by Government locks, they must be prepared by the proprietor for sealing with "cap" seals by one of the following methods:

(a) By applying a "castle" nut with a hole drilled through the bolt, so the sealing wire may be passed through like a cotter pin, two such nuts being applied to each flange, opposite each other, unless the flange is secured with an uneven number of bolts, in which case three such nuts will be applied at approximately equal distances apart;

(b) By drilling a small hole through both nut and bolt, two such bolts and nuts being drilled for each flange, opposite each other, unless the flange is secured with an uneven number of bolts, in which case three such nuts will be applied at approximately equal distances apart; or

(c) By drilling a hole through the corner of the head of the bolt and one through the corner of the nut so the two

will be sealed together, two such bolts and nuts being drilled for each flange, opposite each other, unless the flange is secured with an uneven number of bolts, in which case three such nuts will be applied at approximately equal distances apart.

(Secs. 2823, 2829, 3101, 3105, 3124, 3176, I. R. C.)

§ 182.82b *Preparation for sealing unions.* Where unions in the pipelines are not secured by welding or brazing, and are not to be secured by Government locks, they will be prepared for sealing by enclosing the same in a metal box with holes for the sealing wire.

(Secs. 2823, 2829, 3101, 3105, 3124, 3176, I. R. C.)

§ 182.82c *Preparation for sealing valves.* Where small gate and globe

| | |
|--------------------------------|---|
| Black..... | Alcohol. |
| Blue..... | Vapor, low wines, high wines or other unfinished spirits. |
| Red..... | Fermented mash or beer, or other distilling material. |
| Gray..... | Molasses or other unfermented material. |
| Brown..... | Spent beer or slop. |
| Yellow..... | Fusel oil. |
| Yellow with red stripe..... | Ether. |
| Yellow with green stripe..... | Butyl alcohol. |
| Yellow with purple stripe..... | Acetone. |
| White..... | Water. |
| Aluminum..... | Steam. |
| Orange..... | Air. |
| Olive green..... | Carbon dioxide. |
| Purple..... | Refrigerants. |

These colors are intended for such pipelines only, and are prescribed for the purpose of distinguishing such pipelines from each other and from all other pipelines on the premises which are painted but for which colors are not prescribed. The painting in one of the prescribed colors, or a color similar thereto, of a pipeline for which a color is not prescribed is prohibited. Pipelines for ether, butyl alcohol, and acetone shall be "striped" conspicuously in the prescribed colors. Pipelines for which colors are not prescribed may be painted in sections of not more than 3 feet in contrasting colors.

(Sec. 3103, 3105, 3124, 3176, I. R. C.)

§ 182.85 *Weighing tanks.* Where alcohol is to be removed by pipeline to tank cars for shipment or to a denaturing plant on the same premises, or to a rectifying plant or tax-paid bottling house on contiguous premises, or to a tank trucks for transfer in bond to another bonded warehouse (as authorized by § 182.550) or to a denaturing plant (as authorized by § 182.560), or where alcohol is to be received in tank cars, or received in tank trucks from an industrial alcohol plant (as authorized by § 182.400) or from another bonded warehouse (as authorized by § 182.550), the proprietor of the warehouse must provide for use in weighing such alcohol one or more suitable weighing tanks, constructed and secured in accordance with the provisions of § 182.65.

(Secs. 2808, 3105, 3107, 3124, 3176, I. R. C.)

§ 182.119 *Consent, Form 1602.* Where the proprietor is not the owner in fee of

valves in the pipelines are secured by welding or brazing, and are not to be secured by Government locks, they may be prepared for sealing by inclosing the packing nut and hood with a metal band or strap drawn tightly around the flange and fitted for reception of the sealing wire, or by drilling a hole in the packing nut so that sealing wire may be passed through and drawn around the pipe and sealed. Where valves have large flanges, such flanges may be sealed in the same manner as other flanges.

(Secs. 2823, 2829, 3101, 3105, 3124, 3176, I. R. C.)

§ 182.83 *Colors for pipelines.* The pipelines in the industrial alcohol plant used for conveying the following substances shall be kept painted in the colors indicated:

the lot or tract of land on which the industrial alcohol plant or bonded warehouse is situated, unencumbered by any mortgage, judgment, lien, or other encumbrance, or is not the owner of the distilling apparatus and equipment, unencumbered by any mortgage, judgment, lien, or other encumbrance, he must file the written consent, Form 1602, of the owner and of any mortgagee, judgment creditor, lienor, or other encumbrancer, conditional sales vendor, or prior lessee, that the premises or property may be used for the purpose of distilling alcohol or the storage of alcohol subject to the provisions of law, and expressly stipulating that the lien of the United States for taxes and penalties shall have priority over any title, right, or interest of the person giving the consent, and that, in the case of the forfeiture of the premises or property, or any part thereof the title to the same shall vest in the United States, discharged from any such right, title, or interest.

(Secs. 2815, 3105, 3124, 3176, I. R. C.)

§ 182.119a *Execution of consent.* The consent shall be executed on Form 1602, in triplicate, in accordance with the instructions printed thereon, duly acknowledged before an officer authorized to take acknowledgment of deeds, properly recorded and submitted to the district supervisor with the application, Form 1431, and made a part thereof. The acknowledgment and certificate of recordation shall be executed on all three copies of the Form.

(Secs. 2815, 3105, 3124, 3176, I. R. C.)

§ 182.119b *New consent required.* A new consent will be required for each

year beginning on the first day of January, unless the consent is given for a definite period of time exceeding 1 year, in which event the consent should be given in terms to expire at the beginning of an annual period, January 1. If, after such consent is filed, the premises are extended and the proprietor is not the owner in fee, unencumbered, of the additional premises, or additional apparatus and equipment are installed, and the proprietor, or the party who executed the consent then in effect is not the owner thereof, unencumbered, consent on Form 1602 must be filed for such additional premises or apparatus and equipment. A new consent will also be required whenever there is a change in proprietorship, including succession for a temporary period by a lessee or fiduciary, unless the consent procured by the predecessor specifically covers operation of the premises by his successor or assigns. In the event of failure of such consent the proprietor will be no longer qualified, unless an indemnity bond on Form 1604 is filed.

(Secs. 2815, 3105, 3124, 3176, I. R. C.)

§ 182.119c Bond in lieu of consent. Where consent on Form 1602 cannot be obtained or where the industrial alcohol plant or bonded warehouse was sold at a judicial or other sale in favor of the United States, and there exists a right of redemption from such sale, the proprietor may file in lieu of such consent, an indemnity bond, Form 1604, as provided in §§ 182.122 to 182.124.

(Secs. 2815, 3105, 3124, 3176, I. R. C.)

§ 182.126 List of stockholders. In the case of corporations and similar legal entities, there must be submitted with Form 1431 at the commencement of business and annually thereafter on May 1 a list of the names and addresses of all stockholders and other persons interested in the corporation or other legal entity and the amount and nature of the stockholding or other interests of each, whether such interest appears in the name of the interested party or in the name of another for him: *Provided*, That, where more than 100 persons are interested in the corporation or other legal entity as stockholders or otherwise there need be furnished only the names and addresses and the amounts and nature of the stock holding or other interest of the 100 persons having the largest ownership or other interest in each of the respective classes of stock or other interests, except where more complete information shall be specifically required by the Commissioner or district supervisor: *Provided further*, That where there has been no change in the stockholders and other persons interested in the corporation or other legal entity, or in the extent of the stock holding or other interest of such persons, the proprietor may furnish on May 1 of each year a certified statement, in triplicate, to that effect in lieu of the prescribed list. Where a corporation operates two or more industrial alcohol plants, bonded warehouses or denaturing plants or other plants situated in the same supervisory district, or wholly owns one or more subsidiaries operating plants under the internal revenue laws

and regulations so situated, and in connection with qualifying for the operation of one of such plants files a list of stockholders and other persons interested, as prescribed herein, the filing of an additional list for each plant will not be required, provided that in lieu of such additional list there is submitted with the application, Form 1431, a certificate, in triplicate, definitely identifying the corporation and plant with whose application the list of stockholders and other persons interested in filed, and giving the date of the filing thereof.

(Secs. 3103, 3105, 3124, 3176, I. R. C.)

§ 182.195 Investigation. The district supervisor will cause an investigation to be made of all the facts stated in the surety's affidavit on Form 33 and supporting documents.

(Secs. 3105, 3124, 3176, I. R. C.)

§ 182.199 Consents of surety. Consents of surety to a change in the terms of a bond must be executed on Form 1533, in as many copies as are required of the bond which they affect, by the principal and all sureties with the same formality and proof of authority to execute as are required for the execution of bonds. Form 1533 will be used by obligors on collateral bonds as well as those on surety bonds. The Form 1533 must properly identify the bond affected thereby and state specifically and precisely what is covered by the extended terms thereof. If the surety is a corporation, the consent may be executed by an agent or attorney in fact duly authorized so to do by power of attorney filed by the surety with the appropriate district supervisor, or the consent may be executed by the home office officials of such corporate surety; except that, in cases where the saving of time is an element, the consent may be executed by an agent or attorney in fact where the home office officials, by specific direction, order its execution. A copy of such specific direction should be attached to each copy of such consent.

(Secs. 3070, 3105, 3114, 3124, 3176, I. R. C.)

§ 182.203 Additional or strengthening bonds. In all cases where the penal sum of a bond on file and in effect is not sufficient, computed as prescribed by law and regulations, the principal may give an additional or strengthening bond in a sufficient penal sum, provided the surety thereon is the same as on the bond already on file and in effect; otherwise a new bond covering the entire liability will be required. Such additional or strengthening bonds being filed to increase the bond liability of the principal and the surety, they are in no sense substitute bonds, and the district supervisor will refuse to approve any additional or strengthening bond where any notation is made thereon, intended, or which may be construed, as a release of any former bond, or as limiting the amount of either bond to less than its full penal sum. Additional or strengthening bonds must show the current date of execution and the effective date in the blank spaces provided therefor. Such bonds must have marked thereon, by the obligors at the time of execution, "Additional Bond" or "Strengthening Bond."

(Secs. 3070, 3105, 3114, 3124, 3176, I. R. C.)

§ 182.271 Changes in equipment. Where changes are to be made in the apparatus and equipment of an industrial alcohol plant, bonded warehouse, or denaturing plant, or in the denatured alcohol recovery system at a denatured alcohol user's premises, the permittee shall first secure approval thereof by the district supervisor pursuant to application, in triplicate, setting forth specifically the proposed changes: *Provided*, That emergency repairs may be made under the supervision of the Government officer, where one is assigned to the premises, without prior approval of the district supervisor. Where such emergency repairs are made, the permittee shall file immediately a report thereof, in triplicate, with the district supervisor. If the apparatus or equipment referred to in § 182.272 is to be removed the application shall include information showing: (a) The date of original purchase; (b) the name and address of the vendor; (c) a description of the article including model and serial numbers, if any; (d) original cost; (e) present book value and method used in determining such value; and (f) proposed disposition of the article. Changes covered by an approved application will be made under the supervision of the Government officer, where one is assigned to the premises. Upon completion of any change made under his supervision, the Government officer will authorize the removal of the dismantled equipment, and the use of the new or repaired equipment, and submit a report, in triplicate, of the changes to the district supervisor.

(Secs. 3103, 3105, 3112, 3124, 3176, I. R. C.)

§ 182.271a Installation of additional equipment. Where the proprietor of the industrial alcohol plant or bonded warehouse is the owner in fee unencumbered, or has procured the consent of the owner or of any encumbrancer, of the premises, apparatus and equipment thereon, and additional apparatus and equipment are installed, the proprietor, if he is not the owner in fee unencumbered of the additional apparatus and equipment, must procure the consent of the owner or any encumbrancer, in accordance with § 182.119, or in lieu thereof file an indemnity bond, Form 1604, equal to the appraised value of the entire premises, including the additional apparatus and equipment, in accordance with § 182.122. If such proprietor has filed an indemnity bond, Form 1604, in lieu of the consent of the owner or any encumbrancer, in accordance with the provisions of § 182.122, and the value of the premises is increased by the installation of additional apparatus or equipment, an additional or new bond on such form to cover the increase in value will be required, in accordance with provisions of § 182.122.

(Secs. 3103, 3105, 3112, 3124, 3176, I. R. C.)

§ 182.274 Change of title. Where the title to the lot or tract of land upon which an industrial alcohol plant or bonded warehouse is located is changed by sale, judicial or otherwise, or where there is any change in the ownership of the premises or the apparatus or equipment, subsequent to the approval of bond, Form 1432-A, the permittee is no longer qualified. If the permittee desires to qualify

for further operation when such a change occurs, he must file an amended application, Form 1431, together with the necessary consent, Form 1602, or, in lieu of such consent, an indemnity bond, Form 1604. In addition to such amended application and consent, Form 1602, or indemnity bond, Form 1604, the district supervisor may, in his discretion require the permittee to file a new bond, Form 1432-A.

(Secs. 3103, 3105, 3112, 3124, 3176, I. R. C.)

ACTION BY DISTRICT SUPERVISOR

ORIGINAL ESTABLISHMENT

§ 182.281a *Authority to approve.* District supervisors are authorized to approve all applications, bonds, consents of surety, and other qualifying documents required by this part and to issue required permits in connection therewith, except applications for use of specially denatured alcohol or tax-free alcohol by the United States or governmental agency thereof, and applications, bonds, and qualifying documents required in connection with establishment and operation of an experimental industrial alcohol plant.

(Secs. 3105, 3114, 3124, 3170, 3176, I. R. C.)

§ 182.282 *Investigation of applicant.* Before approving any application filed by any individual, firm, partnership, corporation, or association, the district supervisor will cause such inquiry or investigation to be made as may be deemed necessary to ascertain whether such individual, firm, partnership, corporation, or association, or any person owning, controlling, or actively participating in the management of the business, has been convicted of, or has compromised, an offense of the nature specified in § 182.106 (b), or is precluded by the provisions of § 182.106 (a) from receiving a permit, and shall make a thorough investigation to determine the applicant's qualifications to hold a permit and whether he is entitled to the confidence of the Department. The district supervisor's inquiry and investigation in connection with an application on Form 1431 for permit to operate an industrial alcohol plant or bonded warehouse, in conjunction with which an application was filed for permit under the Federal Alcohol Administration Act, shall include the procurement of sufficient information to pass upon the application for such permit.

(Secs. 3103, 3105, 3114, 3124, 3170, 3176, I. R. C.)

§ 182.282a *Disapproval of application.* Where, after hearing or opportunity for hearing, as provided in §§ 182.220 to 182.224, the district supervisor finds that the applicant is not entitled to the confidence of the Department, or is precluded by section 3114 (a), Internal Revenue Code, and § 182.106 (a) from receiving a permit, he shall note his disapproval on all copies of the application with brief statements of his reasons therefor and dispose of the application, bond, and supporting documents in accordance with the provisions of § 182.293.

(Secs. 3103, 3105, 3114, 3124, 3170, 3176, I. R. C.)

§ 182.290 *Approval of qualifying documents.* If the district supervisor finds, upon examination of the inspection report and the qualifying documents, that the applicant has complied in all respects with requirements of law and this part, and if the bond and consent, if any, or the indemnity bond filed in lieu thereof, properly may be approved, and if the applicant is entitled to a permit, he will note his approval on all copies of the application, plat and plans, bonds and consent or indemnity bond, and shall dispose of the qualifying documents and inspector's report in accordance with § 182.293. In the case of experimental industrial alcohol plants, applications, bonds, and one set of other qualifying documents will be forwarded to the Commissioner, together with a copy of the inspection report, for approval or disapproval in accordance with § 182.8. The district supervisor will refer trade names to the Commissioner for approval before approving applications for basic permits involving use of trade names and will refer to the Commissioner all formulae and labels for denatured alcohol, articles, or other products manufactured therefrom, except rubbing alcohol compound manufactured in accordance with § 182.147 (a). Issuance of basic permits on Form 1433 covering original establishment of industrial alcohol plants, bonded warehouses or denaturing plants will be withheld pending assignment of basic permit and registry number by the Commissioner in accordance with §§ 182.291 and 182.305. The district supervisor will advise the Commissioner in advance of final action on such permits insofar as possible, in order that basic permit and registry numbers may be assigned to prevent undue delay in the proposed operations. Symbols and numbers for other basic permits will be assigned by the district supervisor in accordance with the provisions of § 182.291.

(Secs. 3105, 3114, 3124, 3170, 3176, I. R. C.)

§ 182.291 *Symbols and numbers for basic permits.* All basic permits, except those issued on Forms 1433, 1444, and 1486, shall bear a symbol indicating the class of permit, the recognized abbreviation of the State in which the business is to be conducted, and a serial number; the symbol, State abbreviation, and the serial number being separated by dashes, as "TF-NY-123." The serial number of permits to deal in specially denatured alcohol will be followed by the capital letter "D" in parentheses. All basic permits shall be numbered serially according to the class of permit in the order of issuance. Amended and renewal permits shall be given the same number as the original permit. A separate series of numbers will be used for each State in the case of permits, Form 145, Form 1447, Form 1476, and Form 1481. Serial numbers of basic permits heretofore issued will be retained and new permits will be assigned numbers in sequence thereto. Basic permit numbers previously assigned to permittees will not be reassigned to other permittees. In the case of basic permits, Form 1433, the district supervisor shall insert the permit and registry numbers assigned by the Com-

missioner on the form. The prescribed symbols are as follows:

IAP—Industrial alcohol plant.

BW—Bonded Warehouse.

DP—Denaturing plant.

TF—User of tax-free alcohol (other than the United States or governmental agency thereof).

SDA—Dealer in specially denatured alcohol (The letter "D" being inserted in parentheses after the serial number, as "SDA-NY-3(D)").

SDA—User of specially denatured alcohol (including the recovery of specially denatured alcohol, or recovery of articles in the form of denatured alcohol).

SDR—Dealer in specially denatured rum (the letter "D" being inserted in parentheses after the serial number, as "SDR-NY-4(D)").

SDR—User of specially denatured rum.

CDAR—Recovery of completely denatured alcohol.

C—Carrier transporting tax-free or specially denatured alcohol.

US-TF—Use of tax-free alcohol by the United States or governmental agency thereof.

US-SDA—Use of specially denatured alcohol by the United States or governmental agency thereof.

(Secs. 3105, 3114, 3124, 3170, 3176, I. R. C.)

§ 182.292 *Disapproval of qualifying documents.* If the district supervisor finds, after hearing or opportunity for hearing, as provided in §§ 182.220 to 182.224, that the applicant has not complied in all respects with the requirements of the law and this part, or that the situation of the premises is such as would enable the applicant to defraud the United States, or that the bond should be disapproved, he will note his disapproval on the application, and will dispose of the qualifying documents in accordance with § 182.293. Where an application or bond or consent of surety is disapproved by the district supervisor and an appeal is taken to the Commissioner, the district supervisor will furnish the Commissioner with full information respecting the reasons for disapproval, including (a) in the case of a violation of the nature specified in § 182.106 (b), the nature of the offense, the names of the offenders, the date of conviction or acceptance of an offer in compromise, and (b) in the case of an offense which precludes the issuance of a permit under § 182.106 (a), the nature, date and place of the offense. The Commissioner will grant a hearing in the matter if the parties so request at the time appeal is taken upon the action of the district supervisor.

(Secs. 3105, 3114, 3124, 3170, 3176, I. R. C.)

§ 182.293 *Disposition of qualifying documents.* If the district supervisor approves the qualifying documents, he will forward to the applicant one copy of the documents with the original of the basic permit, and original of the permit issued under the Federal Alcohol Administration Act (if any), forward to the Commissioner the originals of the qualifying documents and a copy of the basic permit, and permit issued under the Federal Alcohol Administration Act (if any), together with copies of inspection reports, and retain one copy of such qualifying documents and permits for the file of the applicant. If the qualifying documents are disapproved, the district supervisor shall return to the applicant by

registered mail one copy of the disapproved application, together with all copies of the qualifying documents and all copies of the bond without action thereon. The district supervisor shall forward one copy of the disapproved application to the Commissioner and will advise him fully respecting the disapproval thereof. He shall retain the remaining papers in his files. If the applicant is not entitled to a basic permit, the district supervisor will, upon disapproval of the application therefor, return all copies of the qualifying documents to the applicant without action thereon.

(Secs. 3105, 3124, 3176, I. R. C.)

CHANGES SUBSEQUENT TO ORIGINAL ESTABLISHMENT

§ 182.295 Procedure applicable. The provisions of §§ 182.281a to 182.293 respecting the action required of district supervisors in connection with applications for original basic permits will be followed, to the extent applicable, where there is a change in the individual, firm, or corporate name, or in the trade name or style, or where the premises are to be operated initially under a trade name or style or where there is a change in the proprietorship, location, premises, construction, apparatus and equipment, or in the type of premises, or in the title to the property in the case of an industrial alcohol plant or bonded warehouse, or where such property becomes subject to a mortgage, judgment, or other encumbrance, or where operations are permanently discontinued.

(Secs. 3105, 3124, 3176, I. R. C.)

§ 182.296 Indemnity bond, Form 1617. Where changes to be made in industrial alcohol plant or bonded warehouse premises, buildings, or former industrial alcohol plant or bonded warehouse premises, buildings, or equipment or apparatus, are such as to require the filing of an indemnity bond on Form 1617, as provided in §§ 182.270 and 182.272, the district supervisor will, upon receipt of a satisfactory bond, note his approval thereon, forward the original to the Commissioner, forward one copy to the permittee, and retain one copy.

(Secs. 3105, 3124, 3170, 3176, I. R. C.)

§ 182.297 Applications and reports covering changes. Where an application covering changes in apparatus or equipment, or in construction or use of a room or building is approved by the district supervisor, he will retain one copy of the application and forward one copy to the permittee and one copy to the Commissioner; and, when reports covering changes in apparatus, and equipment are received from Government officers in accordance with § 182.271, he will retain one copy and promptly forward one copy to the Commissioner. Similar disposition will be made of reports received from the permittee covering emergency repairs of apparatus and equipment.

(Secs. 3105, 3124, 3176, I. R. C.)

§ 182.302 District supervisor's action. If the district supervisor finds, upon receipt of the report from the storekeeper-gauger or other Government officer, that all alcohol or denatured alcohol produced

or deposited has been withdrawn, and properly accounted for, he will note his approval on all copies of Form 1431, forward the original thereof, together with a copy of the Government officer's report, to the Commissioner and return a copy to the proprietor. Where discontinuance of a bonded warehouse or denaturing plant was ordered by the Commissioner, the district supervisor will forward to the Commissioner a complete report of the removal of the alcohol or specially denatured alcohol from the premises, together with a copy of the Government officer's report of the inspection of the proprietor's and storekeeper-gauger's records and the removal of the Government property from the premises.

(Secs. 3105, 3124, 3170, 3176, I. R. C.)

ACTION BY COMMISSIONER ORIGINAL ESTABLISHMENT

§ 182.303a Authority to approve. The Commissioner will approve or disapprove applications for use of trade names as provided in § 182.290, formulas and labels for denatured alcohol, articles, or other products manufactured therefrom as provided in § 182.151, applications, bonds and qualifying documents required in connection with establishment and operation of experimental industrial alcohol plants in accordance with provisions of § 182.8, and applications for the use of tax-free and specially denatured alcohol by the United States or governmental agencies thereof, and will issue necessary permits or certificates in connection with such applications.

(Secs. 3105, 3114, 3124, 3170, 3176, I. R. C.)

§ 182.304 Review of documents. The Commissioner will review the action of the district supervisor relating to the establishment of industrial alcohol plants, bonded warehouses and denaturing plants, and will determine whether such action is in conformity with the requirements of law and this part. If not, the Commissioner will advise the district supervisor as to the necessary action to be taken.

(Secs. 3105, 3124, 3176, I. R. C.)

§ 182.305 Registry and permit numbers. Upon request therefor by district supervisors the Commissioner will assign registry and permit numbers to industrial alcohol plants, bonded warehouses and denaturing plants. Such plants will be numbered serially, irrespective of states or districts. Symbols and numbers for basic permits will be assigned as provided in § 182.291. Registry and permit numbers previously assigned to discontinued alcohol plants, bonded warehouses, and denaturing plants will not be reassigned to other such plants. The same registry number will be continued whenever there is an immediate change of proprietorship. A new basic permit number will be assigned when there is a change of proprietorship. The same registry and permit number will be assigned to an industrial alcohol plant, bonded warehouse, and denaturing plant, or any combination of such plants on the same premises.

(Secs. 3105, 3114, 3124, 3170, 3176, I. R. C.)

CHANGES SUBSEQUENT TO ORIGINAL ESTABLISHMENT

§ 182.308 Procedure applicable. The provisions of § 182.304 respecting the action of the Commissioner in connection with the applications for original basic permits will be followed, to the extent applicable, where there is a change in the individual, firm, or corporate name, or in the trade name or style, or in the proprietorship, location, premises, construction, apparatus and equipment, or in the type of premises or operations, or in the title to industrial alcohol plant or bonded warehouse property or where such property becomes subject to a mortgage, judgment, or other encumbrance.

(Secs. 3105, 3124, 3176, I. R. C.)

§ 182.312 Direct export bonds. Bonds covering a specific lot of alcohol withdrawn for direct export, Form 1497, will be terminated by the district supervisor by marking the bond "Canceled," followed by the date of cancellation, upon receipt of evidence of the landing of the alcohol in a foreign country or satisfactory proof of loss at sea: *Provided*, That where there is a deficiency, the bond will not be canceled by the district supervisor until the liability for the deficiency has been terminated. Continuing bonds covering alcohol withdrawn from time to time for direct export, Form 1495, will be similarly terminated by the district supervisor where no further withdrawals are to be made thereunder: *Provided*, That the account kept with the bond in accordance with § 182.611 shows that there are no outstanding charges.

(Secs. 2885, 3105, 3124, 3170, 3176, I. R. C.)

§ 182.313 Transportation for export bonds. Bonds covering a specific lot of alcohol withdrawn for transportation for export, Form 1498, will be terminated by the district supervisor by marking the bond "Canceled," followed by the date of cancellation, upon receipt of Form 691 from the collector of customs showing the clearance of the alcohol: *Provided*, That where there is a loss in transit, the bond will not be canceled until the liability for the loss has been terminated. Continuing bonds for alcohol withdrawn from time to time for transportation for export, Form 1496, will be similarly terminated by the district supervisor where no further withdrawals are to be made thereunder: *Provided*, That the account kept with the bond in accordance with § 182.611 shows that there are no outstanding charges.

(Secs. 2886, 3105, 3124, 3170, 3176, I. R. C.)

§ 182.314 Bonds covering transportation to customs manufacturing bonded warehouse. Bonds covering a specific lot of alcohol withdrawn for transportation to a customs manufacturing warehouse, Form 1459, will be terminated by the district supervisor by marking the bond "Canceled," followed by the date of cancellation, upon receipt from the collector of customs of Form 3923 showing the deposit of the alcohol in the customs manufacturing bonded warehouse: *Provided*, That where there is a loss in transit the bond will not be canceled by the district supervisor until liability

for the loss has been terminated. Continuing bonds covering alcohol withdrawn from time to time for transportation to customs manufacturing bonded warehouse, Form 1460, will be similarly terminated by the district supervisor where no further withdrawals are to be made thereunder, provided that the account kept with the bond in accordance with § 182.625 shows that there are no outstanding charges.

(Secs. 2591, 3105, 3124, 3170, 3176, I. R. C.)

§ 182.317 *Action on application for notice of termination of bond supporting a basic permit.* When an application for notice of termination, as to future operations, of a bond supporting a basic permit is filed with the district supervisor in a case where a superseding bond has been approved, or the principal has discontinued business, as provided in § 182.310 the district supervisor will make a complete examination of records to determine whether there is any liability then due and payable outstanding against the bond. He will also ascertain from the collector of internal revenue whether there are any outstanding unpaid assessments or demands for taxes, penalties and interest on alcohol or denatured alcohol under the bond. If it is found that violations of law or regulations occurred during the period covered by the bond, and that penalties incurred or fines imposed have not been paid, or that outstanding assessments, or demands for payment of taxes, chargeable against the bond have not been paid, or otherwise settled, the district supervisor will disapprove the application, unless the liability is settled. If the district supervisor finds that the bond properly may be terminated he will issue notice of termination in accordance with provisions of § 182.320.

(Secs. 3105, 3124, 3176, I. R. C.)

§ 182.318 *Action on application for notice of termination of indemnity bonds.* When an application for notice of termination of an indemnity bond, Form 1604, as to future operations of an industrial alcohol plant or bonded warehouse is filed with the district supervisor in a case where a superseding bond has been approved, or the principal has discontinued business, as provided in § 182.311, the district supervisor will take action in accordance with the procedure prescribed in § 182.317, in the case of an application for termination of the bond supporting a basic permit. When an application for notice of termination of an indemnity bond, Form 1617, covering changes in buildings or equipment is filed with the district supervisor, he will make a complete inquiry to determine whether all alcohol, the tax on which constituted the lien in relation to which the bond was given, has been tax-paid or removed for a lawful tax-free purpose. If the district supervisor finds that the bond properly may be terminated, he will issue notice of termination thereof in accordance with § 182.320.

(Secs. 3105, 3124, 3176, I. R. C.)

§ 182.319 *Action on application for notice of termination of other bonds.* When an application for notice of the termination of export bonds (Forms 1495

and 1497), transportation for export bonds (Forms 1496 and 1498), bonds covering transportation of alcohol to the customs manufacturing bonded warehouse (Forms 1459 and 1460), and bonds covering withdrawals for use on vessels and aircraft (Forms 1660 and 1661) is filed with the district supervisor, he will examine his records to determine whether the required evidence of foreign landing or loss at sea, or clearance, or deposit in the customs manufacturing bonded warehouse, or use, as the case may be, of the alcohol withdrawn under the bond has been filed, and if there were deficiencies, whether liability therefor has been terminated. If the district supervisor finds that the bond properly may be terminated, he will issue notice of termination thereof in accordance with § 182.320.

(Secs. 3105, 3124, 3176, I. R. C.)

§ 182.320 *Notice of termination.* Upon cancellation as to liability for future transactions, of a bond supporting a basic permit, or an indemnity bond, Form 1604, as to liability for future operations of an industrial alcohol plant or bonded warehouse, the district supervisor will execute notice of bond termination on Form 1490 where a superseding bond has been approved, or notification of release of bond on Form 1491 where the principal has discontinued business, as the case may be, in quadruplicate (in quintuplicate if there are two sureties), and will forward the original together with one copy of the application for notice of termination to the Commissioner, one copy to each obligor on the bond, and retain one copy on file with the bond to which it relates. Similar action will be taken by the district supervisor on approval of an application for notice of termination of an indemnity bond on Form 1617. Where an application for the issuance of notice of the termination of a direct export bond, transportation for export bond, bond covering transportation to a customs manufacturing bonded warehouse, or bond covering withdrawal for use on vessels and aircraft, has been filed with the district supervisor, and he has found that there has been compliance with the provisions of §§ 182.312, 182.313, 182.314, or 182.314a, as the case may be, he will issue Form 1490 or Form 1491, as provided above.

(Secs. 3105, 3124, 3176, I. R. C.)

§ 182.321 *Release of collateral.* The release of collateral pledged and deposited with the United States to support bonds required in this part will be in accordance with the provisions of Department Circular 154, revised (31 CFR, Part 225), subject to the conditions governing the issuance of notices on Forms 1490 and 1491 of the termination of such bonds. Unless a superseding bond has been approved, the release of the security in the case of such bonds will not be authorized until all alcohol or denatured alcohol or articles produced or withdrawn, while such bonds were in force and effect, have been lawfully disposed of. Accordingly, collateral may not be released while any alcohol or denatured alcohol or articles remain an outstand-

ing charge against a bond supporting a basic permit or indemnity bond, Form 1604. When an application for release of collateral deposited in support of a bond supporting a basic permit on Form 1433, or an indemnity bond, Form 1634, is received by the district supervisor, he will determine whether all outstanding liabilities have been settled, and unless a superseding bond has been approved whether all alcohol or denatured alcohol produced, withdrawn, used, etc., while the bond was in effect has been lawfully disposed. Collateral pledged and deposited to support an indemnity bond, Form 1617, covering changes in industrial alcohol plant or bonded warehouse buildings or equipment may be released upon approval of a superseding bond or upon lawful removal of all alcohol the tax on which constituted the lien in relation to which the bond was given. Upon approval of an application for the issuance of notice of termination of a bond supporting basic permit on Form 1433, or indemnity bonds (Form 1604 or 1617) supported by collateral security, the district supervisor will fix the date or dates on which a part or all of the security may be released. In fixing such date, the district supervisor will satisfy himself that the interest of the Government will not be jeopardized. The date of release for collateral supporting a bond on Form 1432-A will ordinarily be fixed at not less than 6 months from the date of determination that there is no outstanding liability against the bond, and collateral pledged for other bonds will ordinarily be released upon issuance of notice on Form 1490 or Form 1491. Collateral pledged and deposited to support a bond supporting a basic permit on Form 1433, or indemnity bond (Form 1604 or 1617), will not be released by the district supervisor unless all liability thereunder has been terminated. At any time prior to the release of collateral security, the district supervisor may, in his discretion and for proper cause, further extend the date of the release of such security for such additional period of time as, in his judgment, may be appropriate.

(Secs. 3105, 3124, 3176, I. R. C.; sec. 1126, 44 Stat. 122 (6 U. S. C. 15))

§ 182.322 *Brandy.* Where it is desired to produce brandy under Regulations 5 (26 CFR, Part 184) governing the production of brandy at fruit distilleries under the exemptions from law afforded fruit distillers by virtue of section 2825, I. R. C., the industrial alcohol plant must be discontinued in accordance with §§ 182.276 to 182.279 and reestablished and operated as a fruit distillery in accordance with Regulations 5.

(Secs. 3105, 3124, 3176, I. R. C.)

§ 182.323 *Experimental operations.* Persons authorized, pursuant to provisions of § 182.8, to conduct experimental operations for a temporary period of time in connection with the production of alcohol are required to submit such reports and maintain such records as the Commissioner shall, in each case, prescribe. The alcohol produced in an experimental industrial alcohol plant shall be disposed of or denatured with such denaturing materials and quantities

thereof as may be authorized by the Commissioner, under such conditions and restrictions as he may impose. Alcohol so denatured shall be used or disposed of in the manner prescribed by the Commissioner in each case.

(Secs. 3103, 3105, 3124, 3176, I. R. C.)

§ 182.400 *Authorized removals.*

(c) Withdrawn in packages or tank cars upon payment of tax, as authorized by § 182.408i to § 182.408l or taxpaid and transferred by pipeline to a rectifying plant or a taxpaid bottling house on contiguous premises as authorized by §§ 182.408m, and 182.574a to 182.574e.

§ 182.404 *Drawing off alcohol.* When alcohol is to be drawn from a receiving tank, the storekeeper-gauger will see that the valve in the pipeline controlling the flow of alcohol into the tank is closed and locked before the alcohol in the tank is reduced and proofed and that such valve remains closed and locked until the alcohol has been removed. Whenever alcohol is to be drawn from receiving tanks or transferred into or out of other tanks secured with Government locks, the storekeeper-gauger will open and close the locks, but it shall be the duty of the proprietor to manipulate the stopcocks or valves controlling the flow of the alcohol. The storekeeper-gauger assigned to the receiving room is required to be present and personally supervise the drawing off of all alcohol in the receiving tanks, the marking and branding of all packages of alcohol filled therefrom, and the stamping of all packages tax-paid or exported directly from the receiving room. All mechanical duties connected with such operation shall be performed by the proprietor.

(Secs. 3105, 3124, 3176, I. R. C.)

§ 182.405 *Gauging of alcohol.* All alcohol drawn from receiving tanks will be carefully gauged by the proprietor by weighing and proofing the spirits in accordance with this part and the Gauging Manual (26 CFR, Part 186), and the details thereof shall be entered by the proprietor on Form 1440. Entries shall be made as indicated by the headings of the various columns and lines and in accordance with the instructions printed on the form or issued in respect thereto and as required by this part. Packages shall be marked in accordance with this part. The storekeeper-gauger will verify the proof, weight, and gallonage of all alcohol withdrawn and will see that the instructions in the Gauging Manual (26 CFR, Part 186) respecting the proofing of alcohol are strictly followed in order that the proof may be accurately determined. The proof of the alcohol shall be adjusted to a whole or complete degree of proof before being removed from the receiving tanks: *Provided*, That the proof of alcohol transferred by pipeline, tank truck, tank car, tank ship or tank barge, to industrial alcohol bonded warehouses or denaturing plants need not be so adjusted. The alcohol in the receiving tank must be thoroughly agitated before taking the proof. The proof so ascertained will be regarded as the proof of alcohol run into all packages filled from the receiving

tank and all alcohol removed from such tank by pipeline or in tank cars. However, the proof of the alcohol in the receiving tank will be checked several times while the alcohol is being drawn off. The proprietor shall provide, at his own expense, accurate, standard hydrometers, hydrometer cups and thermometers for the purpose of gauging alcohol. Alcohol to be transferred by pipeline or in railroad tank cars or tank trucks for shipment shall be gauged in a weighing tank as provided in § 182.407.

(Secs. 2808, 3103, 3105, 3124, 3176, I. R. C.)

§ 182.407 *Weighting alcohol removed by pipeline.* Where alcohol is to be removed by pipeline, it will be weighed in a weighing tank before removal from the receiving room, except that where alcohol is transferred by pipeline from the receiving tanks to a bonded warehouse or denaturing plant on industrial alcohol plant premises, and no weighing tank is provided in the receiving room, the alcohol may be run into weighing tanks at the bonded warehouse or denaturing plant, respectively, and weighed therein. The alcohol must, in any event, be weighed once in connection with its transfer to the bonded warehouse or the denaturing plant. Where alcohol is transferred from receiving tanks to tank cars or tank trucks one or more weighing tanks must be provided in the receiving room and all alcohol removed by pipeline must be weighed in such weighing tanks, and the correct weight will be recorded by the proprietor on the appropriate form. The storekeeper-gauger will balance the scales upon which the weighing tank is mounted before the alcohol is run into such tank.

(Secs. 2808, 3105, 3107, 3124, 3176, I. R. C.)

§ 182.407a *Testing weighing tank scales.* Scales used for weighing alcohol in lots of not over 500 gallons will be tested from time to time under the supervision of the storekeeper-gauger by means of test weights provided in accordance with § 182.66. Such scales will be tested by placing the prescribed test weights on the scales and checking the weight registered on the beam of the scales. The test weights will then be removed without disturbing the beam and the weighing tank filled with alcohol or water to the same weight, whereupon the test weights will again be placed upon the scales, the alcohol or water being retained in the tank and the weight registered on the beam checked. This operation will then be continued until the scales have been checked in 500-pound notches at all weights for which the scales are used. Proprietors will have scales used for weighing alcohol in larger lots tested and their accuracy certified by State, county, or city departments of weights and measures or by a responsible scale company at intervals of not more than 6 months. Government officers will see that weighing tank scales are so tested. Government officers will also check, at least once a month, the gallonage represented to be on the scale against the gallonage indicated by a volumetric determination of the contents of the tank. Such volumetric determination will be made by (a) accurately ascertaining the proof and

the temperature of the alcohol and the depth of the liquid in the tank by means of a steel tape, (b) multiplying the depth in inches by the capacity of the tank for 1 inch of depth, and (c) correcting the volume to 60 degrees Fahrenheit in accordance with table 7 of the Gauging Manual. The corrected gallons thus determined will be compared with the gallons represented by the reading of the beam of the scale. If the volumetric check is not within 0.5 percent of the quantity shown to be in the tank, the scale must be considered inaccurate, unless, upon checking the capacity of the tank per inch of depth, an error is disclosed and corrected, and such corrected gallons per inch brings the scale within the specified tolerance. In addition to the volumetric check described, storekeeper-gaugers will, as frequently as conditions indicate the necessity therefor, test weighing tank scales of large capacity in the manner prescribed for smaller capacity weighing tank scales, except that such tests on large capacity weighing tank scales may be made when they contain considerable quantities of liquid. In this case the beam will be carefully balanced, and test weights will be added to the load, one at a time, until the range of 500 pounds is checked. At any time an officer finds a scale to be inaccurate, he will require the proprietor to have such scale adjusted and its accuracy certified.

(Secs. 3105, 3124, 3176, I. R. C.)

§ 182.408 *Pipeline removals.* Pipelines used for the transfer of alcohol from the receiving room must conform to the requirements of § 182.82, except that alcohol may be transferred into a tank car or tank truck by means of a hose connection where the connecting hose is in full view of the Government officer throughout its entire length. The valves on such pipelines shall be kept closed and locked at all times, except when necessary to be opened for the transfer of alcohol. The keys to all locks on the valves of pipelines shall remain at all times in the custody of the storekeeper-gauger. Alcohol may be transferred by pipeline only under the immediate supervision of the storekeeper-gauger.

(Secs. 3105, 3107, 3124, 3176, I. R. C.)

TAX-PAID WITHDRAWALS BY PIPELINE TO RECTIFYING PLANT OR TAX-PAID BOTTLING HOUSE

§ 182.408m *Procedure.* Where a pipeline has been installed and approved for the transfer of alcohol, after tax payment, direct from the weighing tank in the industrial alcohol plant to a contiguous rectifying plant or tax-paid bottling house and the proprietor desires to so transfer alcohol the procedure prescribed by §§ 182.574a to 182.574e and 182.574g will be followed.

(Secs. 3103, 3105, 3106, 3124, 3176, I. R. C.)

§ 182.447 *Completion of operations required.* When a succession, or actual change, in the person or persons operating the industrial alcohol plant shall take place, other than a change brought about by operation of law, as by the appointment of an administrator, executor, receiver, trustee, assignee, or other

fiduciary, the business of producing alcohol must be completely finished by the person or persons who have been carrying on the business, and the operations suspended before the business shall be undertaken, or begun by the succeeding proprietor, unless by an agreement between the outgoing proprietor and the successor it shall be arranged to transfer from the former to the latter, at midnight of a certain day, all mash and beer, or other distilling material, on hand, and all unfinished alcohol outside the receiving room at that hour: *And provided*, That, in either case, the application, bond and other qualifying documents of the successor have been approved and a basic permit issued to take effect on the day next succeeding that at the close of which the transfer is made. Such documents should, therefore, be submitted to the district supervisor in sufficient time to permit such approval and issuance of basic permit for the date desired. The successor shall not commence operations until all documents required for his qualification as proprietor of an industrial alcohol plant have been approved and a basic permit has been issued. All finished alcohol on hand in the receiving room at the time of the change must be drawn off, gauged, marked, and removed by the outgoing proprietor in the name under which it was produced before any alcohol is deposited in the receiving room or withdrawn from the industrial alcohol plant by the successor.

(Secs. 3105, 3124, 3176, I. R. C.)

§ 182.483 *Certificate of discharge of lien*. Any person claiming any interest in any such land or building may apply to the district supervisor for a duly acknowledged certificate to the effect that such lien is discharged, and, if the district supervisor determines that any such lien is extinguished, he shall issue such certificate, and any such certificate may be recorded.

(Secs. 3103, 3105, 3124, 3176, I. R. C.)

§ 182.495 *Method of deposit*—(a) *Alcohol received in packages*. Alcohol received in packages may be deposited in the warehouse in the packages in which it is received, or the contents of the packages may be dumped into storage tanks if report is made thereof on Forms 1440, 1443-A, and 1443-B, as provided in §§ 182.643, 182.645, and 182.646. If packages of alcohol containing exactly 1, 2, 5, and 10 wine gallons are received, the warehouse must be equipped with scales capable of weighing in terms of ounces, from which the weight, to hundredths of a pound, can be calculated in accordance with § 182.509 (a).

(b) *Alcohol received in tank cars*. Alcohol received in tank cars must be deposited, after gauging, in warehouse storage tanks. If it is desired to receive alcohol in bond in railroad tank cars, proper railroad siding facilities must be provided at the bonded warehouse. When alcohol is received in tank cars, the seals must not be broken, or any alcohol removed, except in the presence of the storekeeper-gauger assigned to the bonded warehouse.

(c) *Alcohol received in tank trucks*. Undenatured ethyl alcohol received in tank trucks shall be gauged and trans-

ferred immediately to storage tanks. The seals must be broken by the storekeeper-gauger assigned to the bonded warehouse and no undenatured ethyl alcohol may be removed from the tank truck, except in the presence of such officer.

(Secs. 3101, 3105, 3107, 3113, 3124, 3176, I. R. C.)

REMOVAL OF ALCOHOL FROM STORAGE OR WEIGHING TANKS

§ 182.498 *Gauge on withdrawal*. Alcohol withdrawn from storage or weighing tanks in the warehouse will be gauged in accordance with the provisions of § 182.405.

(Secs. 2808, 3101, 3103, 3105, 3124, 3176, I. R. C.)

§ 182.500 *Testing of scales*. The storekeeper-gauger shall balance the scales before either empty or filled packages are weighed, and will frequently test by means of test weights provided in accordance with § 182.66, the accuracy of such scales. Weighing tank scales will be tested in accordance with provisions of § 182.407a. In case the scale is found inaccurate for any reason the storekeeper-gauger will not permit it to be used while it is in such condition.

(Secs. 2808, 3105, 3124, 3176, I. R. C.)

§ 182.513 *Pipeline removals*. Pipelines used for removal of alcohol from the bonded warehouse, in accordance with the provisions of this part must conform to the requirements of § 182.82, except that alcohol may be transferred into a tank car or tank truck by means of a hose connection where the connecting hose is in full view of the Government officer throughout its entire length. The locking of valves and the supervision of removals shall be in accordance with § 182.489.

(Secs. 3101, 3105, 3107, 3108, 3124, 3176, I. R. C.)

MARKS, BRANDS, AND STAMPS

§ 182.515 *General*. Before weighing empty casks or packages, officers will examine them and will not permit the use of any cask or package which contains or has on its interior or exterior, any substance that will prevent the correct ascertainment of tare. The tare of the empty package will be determined immediately preceding the filling of the same in all cases: *Provided*, That, the tare of a number of packages may be ascertained and marked thereon before any are filled but not exceeding the number which are to be filled the same day or the following day. If the packages are not to be filled until the following day, they must be locked in the receiving room or bonded warehouse after being weighed and marked. The tare or weight of the empty package will be marked on the package as soon as ascertained and recorded on the entry form. All packages of spirits, when filled, shall be further marked and branded as provided by this part, and where such packages are taxpaid, the taxpaid stamps will be affixed thereto and canceled in the manner prescribed in § 182.527.

(Secs. 3101, 3105, 3124, 3176, I. R. C.)

§ 182.524 *Other marks*. The marks required by this part to be on packages

must be placed on the Government head of a package or side of a case, and no other marks may be shown, with the exception of those required or authorized to be affixed by Federal law and regulations. All marks required by this part on Government heads of packages or sides of cases must be in color distinctly in contrast with the color of the background on which they are placed. The proprietor may show on the Government head, or end of packages, the brand or trade name, provided the brand or trade name will not interfere with or detract from the required Government markings. Caution notices, etc., required by Federal law and regulations, may be placed on the Government head of packages, or side of cases, but such notices must be so placed as to not obscure the markings prescribed by this part.

(Secs. 3105, 3124, 3176, I. R. C.)

§ 182.565 *Removal of alcohol*. The proprietor shall deliver all copies of Form 1440 with the tax-paid stamps to the storekeeper-gauger, who will verify the data thereon, and, if no discrepancies are found, he will note the serial numbers of the stamps on the retained copy of Form 1440, and affix his signature to each stamp. Facsimiles of signatures of storekeeper-gaugers may be affixed by the use of hand stamps, care being taken to use only such ink as will neither fade nor blur. The storekeeper-gauger will then return the stamps to the proprietor, who will stamp and mark the packages or cases, as provided in §§ 182.525, 182.527 and 182.528 after which the proprietor will immediately remove the alcohol from the premises or to his tax-paid storeroom, if one has been provided. When the alcohol has been removed, the storekeeper-gauger will forward one copy of Form 1440 to the district supervisor, and return two copies to the proprietor, who will retain one copy as a permanent record, as provided in § 182.643 (h) and if he so desires, furnish the remaining copy to the vendee.

(Secs. 3103, 3105, 3124, 3176, I. R. C.)

TAXPAID WITHDRAWALS BY PIPELINE TO RECTIFYING PLANT OR TAXPAID BOTTLING HOUSE

§ 182.574a *Gauging of alcohol*. Where a pipeline has been installed and approved for the transfer of alcohol, after tax payment, direct from the weighing tank in the industrial alcohol plant or bonded warehouse to a contiguous rectifying plant or taxpaid bottling house as provided in § 182.82 and the proprietor desires to so transfer alcohol, the alcohol will be run into a weighing tank where it will be gauged in accordance with § 182.405. The proprietor shall prepare Form 1440, in quadruplicate, giving the details of the gauge and submit all copies to the storekeeper-gauger for examination. If the forms are in proper order, the storekeeper-gauger will retain one copy and return three copies to the proprietor. The outlet of the weighing tank will be closed and locked before the alcohol to be tax-paid is transferred to the tank, and the inlet of the tank will be closed and locked after the alcohol has been run into the tank. Both the outlet and inlet will be kept locked, pending payment of tax and receipt of the collec-

tor's certificate of tax payment, Form 1595, as hereinafter provided.

(Secs. 3101, 3103, 3105, 3106, 3124, 3176, I. R. C.)

§ 182.574e Transfer of alcohol. When a certificate of tax payment has been affixed to the weighing tank and cancelled, the storekeeper-gauger will unlock the outlet valve and permit the proprietor to transfer the alcohol by pipeline to the rectifying plant or taxpaid bottling house specified in the certificate. The alcohol shall be transferred only under the immediate supervision of the storekeeper-gauger at the industrial alcohol plant or bonded warehouse and the storekeeper-gauger at the rectifying plant or tax-paid bottling house who shall verify by weight or measure the quantity received. After the alcohol has been transferred, the storekeeper-gauger will forward one copy of Form 1440 and the cancelled Form 1595 to the district supervisor and deliver two copies of Form 1440 to the proprietor who will deliver one copy of such form to the rectifier or bottler.

(Secs. 3101, 3105, 3124, 3176, I. R. C.)

§ 182.611 Account with continuing export bonds. The district supervisor will keep an account with each continuing direct export bond, Form 1495, and each continuing transportation for export bond, Form 1496. In the account with each continuing direct export bond, the principal will be charged with the internal revenue tax on each lot of alcohol withdrawn thereunder for exportation and will receive credit for each lot concerning which satisfactory evidence of landing in a foreign country has been received. In the account of each continuing bond for transportation for export, the principal will be charged with the internal revenue tax on each lot of alcohol withdrawn under the bond for transportation for export and will receive credit for each lot concerning which evidence of clearance from the port of export is received from the collector of customs. In case a shortage in any shipment is reported, credit will be entered for the actual quantity exported or cleared for exportation, as the case may be, but no credit will be entered for the loss until liability therefor has been terminated.

(Secs. 2885, 2886, 3105, 3124, 3176, I. R. C.)

§ 182.625 Account with continuing bond, Form 1460. The district supervisor will keep an account with each bond on Form 1460, in which account the principal will be charged with the tax on each lot of alcohol removed for transportation to a customs manufacturing bonded warehouse and will receive credit for the tax on each lot concerning which satisfactory proof of the deposit in such warehouse is received. If there has been a loss of alcohol in transit, the account may be credited with the quantity of alcohol deposited in the manufacturing warehouse upon receipt from the collector of customs on Form 3923 (Bureau of Customs) covering the deposit. However, the loss shall not be credited until liability for tax due thereon has been terminated. When no further withdrawals are to be made under the bond, the dis-

trict supervisor will, if there are no outstanding charges, cancel the bond in accordance with the provisions of § 182.314.

(Secs. 2891 (a), 3113, I. R. C.)

§ 182.759 Approval of consent of surety and issuance of permit. The district supervisor will examine the consent of surety and if it is properly executed as provided in §§ 182.184 to 182.190 and § 182.758, he will approve the consent, forward the original thereof to the Commissioner, retain a copy and return a copy to the permittee together with the permit. If there is nothing indicating that the specially denatured alcohol will not be exported in the manner stated in the application, and proper certificates of clearance and landing have been filed in accordance with § 182.767, for previous shipments for export, the district supervisor will issue the permit on Part II of Form 1545, and will return all copies thereof to the applicant.

(Secs. 3105, 3109, 3124, 3176, I. R. C.)

§ 182.847 Containers. * * *

(b) *Labels.* Where proprietary solvents and lacquer thinners are packaged by producers for their agents in containers of $\frac{1}{2}$ gallon or more and not more than 5 wine gallons, such containers must be labeled to show the producer's name, address, and permit number: *Provided,* That, where the product is packaged for the dealer, the name and address of the dealer may be shown in lieu of the name and address of the producer, but the basic permit number of the producer must be placed on the labels. Where dealers repackage proprietary solvents in containers of $\frac{1}{2}$ gallon or more but not more than 5 wine gallons, as authorized in paragraph (d) of this section, the name, address, and basic permit number of the producer or the name and address of the dealer and the basic permit number of the producer, shall likewise be placed on the labels of such containers. When proprietary solvents and lacquer thinners are shipped in tank cars, or tank trucks, a label will be affixed to the route board of each such vehicle, giving the name of the product, the quantity, and the producer's name, address, and permit number. Where such shipments are made by the producer's bona fide agent, the name and address of the agent may be shown in lieu of the name and address of the producer, but the basic permit number of the producer must be placed on the label.

§ 182.877 Procedure—(a) Change in proprietorship, name, etc. Where there is a change in proprietorship, or in the persons interested in the business, or in the individual, firm, or corporate name, trade name or style, or in the location of the premises, etc., procedure similar to that prescribed in §§ 182.650 to 182.652 will be followed insofar as applicable.

(b) *Discontinuance of use.* When the use of specially denatured alcohol is discontinued, the permittee shall give notice thereof in writing, in triplicate, to the district supervisor, and shall surrender to the district supervisor his basic and

withdrawal permits. Any specially denatured alcohol remaining on hand at the time of such discontinuance may be disposed of in accordance with §§ 182.867 and 182.868, or when authorized by the district supervisor, the specially denatured alcohol may be disposed of to another person holding permit to use specially denatured alcohol of the same formula, upon the filing of a consent of surety, Form 1533, on the bond (if any), of the purchaser extending the terms of his bond to cover the transportation to, and use by, him of the specially denatured alcohol. Recovered denatured alcohol and articles remaining on hand shall be disposed of only as authorized by the district supervisor, after full advice respecting their condition and the disposition which it is desired to make of the recovered products has been submitted. When all specially denatured alcohol, recovered denatured alcohol, and articles, remaining on hand at the time of discontinuance of the use of specially denatured alcohol, have been properly disposed of, as herein provided, the district supervisor will approve the notice of discontinuance, noting thereon the disposition made of such specially denatured alcohol, recovered denatured alcohol, and articles, retain one copy of the notice for his files, and forward one copy to the Commissioner and one copy to the permittee.

(Secs. 3105, 3124, 3176, I. R. C.)

§ 182.997 Gauging. Upon receipt of the alcohol at the industrial alcohol plant, bonded warehouse, or denaturing plant from customs custody, it will be gauged in accordance with the provisions of this part and the Gauging Manual (26 CFR, Part 186): *Provided,* That where the bonded premises consist of storage tanks only, the spirits may be gauged upon receipt at such premises by any of the following three methods, preference to be given in the order named:

- (a) Weighed in scale tanks.
- (b) Gauged by volume in accurately calibrated storage tanks.
- (c) Weighed on railroad car scales located on bonded premises by weighing tank cars before and after filling or emptying, as the case may be.

(Secs. 3105, 3124, 3125, 3176, I. R. C.)

2. The purposes of the proposed amendments are as follows:

- (a) To authorize the transfer of alcohol, by pipeline, after tax payment, to tax-paid bottling houses.
- (b) To delegate to district supervisors the authority to approve the establishment of industrial alcohol plants, bonded warehouses, and denaturing plants.
- (c) To incorporate, in this part, regulations applicable to the gauging of alcohol at industrial alcohol plants, bonded warehouses, and denaturing plants, now contained in the Gauging Manual (26 CFR, Part 186), but which are being deleted from the current revision of such manual.
- (d) To modify requirements for construction of alcohol tanks.
- (e) To modify the specifications concerning colors for pipelines in industrial alcohol plants, bonded warehouses and denaturing plants.

(f) To require testing and certification by State, county, or city departments of weights and measures, or by responsible scale companies, of scales used for weighing alcohol in large quantities, and to amend specifications for graduations of beams or dials of tank scales used for weighing alcohol.

3. This Treasury decision shall be effective on and after September 1, 1950.

[P. R. Doc. 50-5083; Filed, June 13, 1950; 8:48 a. m.]

[26 CFR, Part 184]

PRODUCTION OF BRANDY

NOTICE OF PROPOSED RULE MAKING

A notice is hereby given, pursuant to the Administrative Procedure Act, approved June 11, 1946, that the regulations set forth in tentative form below are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury. Prior to the final adoption of such regulations, consideration will be given to any data, views or arguments pertaining thereto which are submitted in writing, in duplicate, to the Commissioner of Internal Revenue, Washington 25, D. C., within the period of 30 days from the date of this notice in the FEDERAL REGISTER. The proposed regulations are to be issued under the authority of the Act of February 21, 1950 (Pub. Law 448, 81st Cong.) and sections 2800, 2802, 2808, 2809, 2810, 2812, 2814, 2815, 2816, 2818, 2819, 2822, 2823, 2825, 2826, 2827, 2828, 2829, 2830, 2831, 2832, 2833, 2836, 2839, 2841, 2842, 2843, 2847, 2850, 2857, 2859, 2866, 2870, 2871, 2873, 2877, 2878, 2879, 2883, 2885, 2888, 2901, 2916, 3031, 3033, 3036, 3037, 3038, 3041, 3042, 3170, 3171, 3173, 3175, 3176, 3250, 3254, 3270, 3271, 3272, 3300, 3301, 3656, 3791, 3809, 4041 of the Internal Revenue Code, and section 2, Act of March 3, 1877 (26 U. S. C. 1251) and section 161, R. S. (5 U. S. C. 22).

[SEAL] GEO. G. SCHOENEMAN,
Commissioner of Internal Revenue.

PART 184—PRODUCTION OF BRANDY

1. These regulations shall, on and after September 1, 1950, supersede Regulations 5 (26 CFR, Part 184; 5 F. R. 889) as amended.

2. These regulations shall not affect or limit any act done or any liability incurred under any regulations superseded hereby, or any suit, action, or proceeding had or commenced in any civil, administrative, or criminal cause and proceeding prior to the effective date of these regulations, nor shall these regulations release, acquit, affect, or limit any offense committed in violation of previously existing regulations, or any penalty, liability or forfeiture incurred prior to such date.

SUBPART A—SCOPE OF REGULATIONS

Sec. 184.1 Production and removal of brandy.

SUBPART B—DEFINITIONS

184.5 Meaning of terms.
184.6 Brandy or brandies.

No. 114—4

Sec. 184.7 Collector.
184.8 Commissioner.
184.9 Distiller.
184.10 Distillery.
184.11 Distillery premises.
184.12 District supervisor or supervisor.
184.13 Fruit distillery.
184.14 Gallon.
184.15 Heads and tails.
184.16 Inclusive language.
184.17 I. R. C.
184.18 Laboratory analysis.
184.19 Person, proprietor, or distiller.
184.20 Prior lessee.
184.21 Proof.
184.22 Proof of distillation.
184.23 Proof gallon.
184.24 Proof spirits.
184.25 Registered distillery.
184.26 Secretary.
184.27 Tank car.

SUBPART C—EXEMPTION OF FRUIT DISTILLERS FROM CERTAIN PROVISIONS OF LAW

EXEMPTIONS

184.35 General.
184.36 Section 2812, I. R. C.
184.37 Section 2817, I. R. C.
184.38 Section 2819, I. R. C.
184.39 Section 2820, I. R. C.
184.40 Section 2822, I. R. C.
184.41 Section 2826, I. R. C.
184.42 Section 2836, I. R. C.
184.43 Section 2838, I. R. C.
184.44 Section 2840, I. R. C.
184.45 Section 2844, I. R. C.
184.46 Section 2849, I. R. C.
184.47 Section 2850, I. R. C.
184.48 Section 2851, I. R. C.
184.49 Section 2872, I. R. C.
184.50 Section 2877, I. R. C.
184.51 Sections 2878 (a) and 2883, I. R. C.
184.52 Exemptions subject to change.

SUBPART D—LOCATION

184.60 Restrictions.
184.61 Within 600 feet of rectifying plant.
184.62 Special application.
184.63 Changes requiring approval.

SUBPART E—CONSTRUCTION

184.70 Distillery buildings.
184.71 Foundations.
184.72 Floors.
184.73 Walls.
184.74 Roofs.
184.75 Doors.
184.76 Windows in receiving and brandy deposit rooms.
184.77 Windows within 12 feet of ground, etc.
184.78 Opening onto fire escape.
184.79 Extension of requirements.
184.80 Windows more than 12 feet from ground.
184.81 Set in casement.
184.82 Sash locks.
184.83 Shutters.
184.84 Iron bars.
184.85 Other windows.
184.86 Skylights, monitors, penthouses, etc.
184.87 Ventilators.
184.88 Drains.
184.89 Receiving room.
184.90 Brandy deposit room.
184.91 Filled package storeroom.
184.92 Fermenting room or building.
184.93 Empty container storeroom.
184.94 Government office.
184.95 Government cabinet.

SUBPART F—SIGN

184.105 Posting of sign.

SUBPART G—FENCES OR WALLS AND GATES

184.110 Construction.
184.111 Special application.
184.112 Keys to gates.

SUBPART H—EQUIPMENT

Sec. 184.120 Scales for packages.
184.121 Weighing tanks.
184.122 Construction of weighing tanks.
184.123 Test weights.
184.124 Furnace doors, steam and fuel lines.
184.125 Distilling material measuring and storage tanks.
184.126 Fermenters.
184.127 Washwater receiving tanks.
184.128 Stills.
184.129 General requirements for tanks.
184.130 Measuring devices.
184.131 Heads and tails tanks.
184.132 Unfinished brandy tanks.
184.133 Distilled water tanks.
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184.135 Singlings tanks.
184.136 Sumps and chargers.
184.137 Receiving tanks.
184.138 Stopcocks of receiving tanks.
184.139 Brandy storage tanks.
184.140 Pipelines.
184.141 Additional requirements for pipelines.
184.142 Preparation for sealing flanges.
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184.144 Preparation for sealing valves.
184.145 Colors for pipelines.
184.146 Sufficient equipment required.
184.147 Hydrometers.
184.148 Details of construction and equipment.
184.149 Distilleries heretofore established.

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184.160 Notice, Form 27½.
184.161 Permit required.
184.162 Description of premises.
184.163 Description of buildings and rooms.
184.164 Distilling capacity.
184.165 Daily production.
184.166 Condition of title to premises.
184.167 Condition of title to apparatus and equipment.
184.168 Distance from rectifying plant or vinegar factory.
184.169 Amended and supplemental notices.
184.170 Consent, Form 1802.
184.171 Execution of consent.
184.172 New consent when required.
184.173 Bond in lieu of consent.
184.174 Permission required for filing bond, Form 3-A.
184.175 Application.
184.176 Bond, Form 3-A.
184.177 Bond in lieu of consent where distillery is sold for United States.
184.178 Appraisal.
184.179 Certificate of title.
184.180 Corporate documents.
184.181 List of stockholders.
184.182 Affidavit.
184.183 Articles of copartnership or association.
184.184 Power of attorney, Form 1534.
184.185 Execution of power of attorney.
184.186 Duration of power of attorney.
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184.189 Registry of stills, Form 26.
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SUBPART J—BONDS AND CONSENTS OF SURETY

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184.202 Corporate surety.
184.203 Two or more corporate sureties.
184.204 Powers of attorney.
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184.206 Ownership of real property.
184.207 Description of real property.
184.208 Execution of Form 53.

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184.209 Certificate of title.
184.210 Appraisal.
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184.212 Requalification.
184.213 Interest in business.
184.214 Deposit of collateral.
184.215 Consents of surety.
184.216 Approval required.
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SUBPART K—PLATS AND PLANS

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184.233 Rectifying plant within 600 feet.
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184.235 Floor plans.
184.236 Elevational flow diagrams.
184.237 Pipelines in colors.
184.238 Location of valves, flanges, locks, etc.
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184.241 Revised plats and plans.

SUBPART L—REQUIREMENTS GOVERNING CHANGES IN NAME, PROPRIETORSHIP, CONTROL, LOCATION, PREMISES, AND EQUIPMENT, AND IN THE TITLE TO THE DISTILLERY PROPERTY OR THE ENCUMBRANCE THEREOF

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CHANGE IN INDIVIDUAL, FIRM, OR CORPORATE NAME
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184.252 Amended articles of incorporation, etc.
184.253 Amended articles of copartnership or association.
184.254 Sign.
184.255 Branding and warehousing.
184.256 Records.

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184.257 Basic qualification required.
184.258 Trade names certificate.
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184.260 Branding and warehousing.
184.261 Records.
184.262 Period of operations.
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CHANGES IN PROPRIETORSHIP

184.264 Requirements for transfer.
184.265 Notice, Form 27½.
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184.267 Notice of suspension.
184.268 Finished brandy.
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184.271 Qualification of successor.
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184.273 Other nonfiduciary successor.
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184.275 Consent of surety.
184.276 Adoption of plat and plans.
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184.279 Changes in partnership.
184.280 Changes in stockholders, officers, and directors of corporation.
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184.282 Change in location.
184.283 Changes in premises.
184.284 Changes in construction and use.
184.285 Indemnity bond covering changes in buildings.
184.286 Appraisal.
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184.288 Indemnity bond covering removal of equipment.
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SUBPART M—REQUIREMENTS GOVERNING OPERATION OF DISTILLERY UNDER ALTERNATING PROPRIETORSHIPS

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SUBPART N—REQUIREMENTS GOVERNING ALTERNATE OPERATIONS AS REGISTERED DISTILLERY OR INDUSTRIAL ALCOHOL PLANT

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184.317 Requirements.

RESUMPTION FOR SUBSEQUENT ALTERNATE OPERATIONS

184.318 Requirements.

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SUBPART O—ACTION BY DISTRICT SUPERVISOR ORIGINAL ESTABLISHMENT

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184.328 Examination of other qualifying documents.
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184.378 Record of materials received.
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184.388 Continuous distillation.
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184.391 Redistillation of singlings.
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184.393 Distillation requiring supervision.
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184.430 Gauge of distillate or brandy.
184.431 Marking and branding of packages.
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184.433 Transfer of storage tanks.
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184.454 Test.
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SUBPART V—THE TAX ON BRANDY AND OTHER DISTILLED SPIRITS

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SUBPART W—WITHDRAWAL OF SAMPLES OF BRANDY

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- 184.543 Storage.
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184.577 Mechanical labor and materials.
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- 184.587 Application, Form 179.
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- 184.590 Route board.
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184.597 Sufficiency of warehouse bond.

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- 184.598 Procedure.
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184.606 Inspection of tank car.
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PROPOSED RULE MAKING

TRANSFER TO WAREHOUSE OFF DISTILLERY
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LAWS OF MORE COMMON APPLICATION PERTAIN-
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SEC. 1650, I. R. C. WAR TAX RATES OF CERTAIN MISCELLANEOUS TAXES. In lieu of the rates of tax specified in such of the sections of this title as are set forth in the following table, the rates applicable with respect to the period beginning with the effective date of Title III of the Revenue Act of 1943 shall be the rates set forth under the heading "War Tax Rate":

| Section | Description of tax | Old rate | War tax rate |
|--------------|------------------------|-----------------|-----------------|
| 2800 (a) (1) | Distilled spirits..... | \$6 per gallon. | \$9 per gallon. |

SEC. 2800, I. R. C. Tax—(a) Rate—(1) *Distilled spirits generally.* There shall be levied and collected on all distilled spirits in bond or produced in or imported into the United States an internal revenue tax at the rate of \$9.00 on each proof gallon or wine gallon when below proof and a proportionate tax at a like rate on all fractional parts of such proof or wine gallon, to be paid by the distiller or importer when withdrawn from bond.

(As amended by section 1650, I. R. C.)

(A) *Payment of tax as to domestic spirits.* The tax on distilled spirits produced in the United States, to be paid upon withdrawal from bond, and the tax on rectified spirits produced in the United States, shall be paid by stamp, under such rules and regulations, permits, bonds, records, and returns, and with the use of such tax-stamp machines or other devices and apparatus, including but not limited to storage, gauging, and bottling tanks and pipelines, as the Commissioner with the approval of the Secretary shall prescribe.

(B) *Penalties.* Whoever manufactures, procures, possesses, uses, or tampers with a tax-stamp machine which may be required under this section with intent to evade the internal revenue tax imposed upon distilled spirits and rectified spirits, and whoever, with intent to defraud, makes, alters, simulates, or counterfeits any stamp of the character imprinted by such stamp machines, or who procures, possesses, uses, or sells any forged, altered, counterfeited, or simulated tax stamp, or any plate, die, or device intended for use in forging, altering, counterfeiting, or simulating any such stamps, or who otherwise violates the provisions of this section, or the regulations issued pursuant thereto, shall pay a penalty of \$5,000 and shall be fined not more than \$10,000 or be imprisoned not more than 5 years, or both, and any machine, device, equipment, or materials used in violation of this section shall be forfeited to the United States and after condemnation shall be destroyed. But this provision shall not exclude any other penalty or forfeiture provided by law.

(2) *Products of distillation containing distilled spirits.* All products of distillation, by whatever name known, which contain distilled spirits or alcohol, on which the tax imposed by law has not been paid, shall be considered and taxed as distilled spirits.

(c) *Time of attachment.* The tax shall attach to distilled spirits, spirits, alcohol or alcoholic spirit, within the meaning of subsection (b) of section 2809 as soon as this substance is in existence as such, whether it be subsequently separated as pure or impure spirit, or be immediately, or at any subsequent time, transferred into any other substance, either in the process of original production or by any subsequent process.

(d) *Persons liable.* Every proprietor or possessor of, and every person in any manner interested in the use of, any still, distillery, or distilling apparatus, shall be jointly and severally liable for the taxes imposed by law on the distilled spirits produced therefrom.

(e) *Lien—(1) Property subject to.* The tax shall be a first lien on the spirits distilled, the distillery used for distilling the same, the stills, vessels, fixtures, and tools therein, the lot or tract of land whereon the said distillery is situated, and on any building thereon from the time said spirits are in existence as such until (except as provided in paragraph (3)), the said tax is paid.

(2) *Exception during term of bonds.* No lien shall attach to any lot or tract of land, distillery, building, or distilling apparatus, under the provisions of this subsection, by reason of distilling done during any period included within the term of any bond taken under the provisions of section 2815 (b) (1) (C).

(3) *Extinguishment.* Any lien under paragraph (1) on any land or any building thereon shall be held to be extinguished, if (1) such land and building are no longer used for distillery purposes, and (2) there is no outstanding liability for taxes or penalties imposed by law on the distilled spirits produced therein, and (3) no litigation is pending in respect of any such tax or penalty.

(4) *Certificate of discharge.* Any person claiming any interest in any such land or building may apply to the collector for a duly acknowledged certificate to the effect that such lien is discharged and, if the Commissioner determines that any such lien is extinguished, the collector shall issue such certificate, and any such certificate may be recorded.

SEC. 2802, I. R. C. STAMPS FOR DISTILLED SPIRITS—(a) *Issue for restamping.* The Commissioner may, under regulations prescribed by him with the approval of the Secretary, issue stamps for restamping packages of distilled spirits, which have been duly stamped but from which the stamps have been lost or destroyed by unavoidable accident.

(b) *Accountability.* * * * (2) *Transfer of duties.* For transfer of powers and duties of Commissioner and his agents, see section 3170.

SEC. 2808, I. R. C. INSTRUMENTS TO PREVENT AND DETECT FRAUD—(a) *Power of the Commissioner.* For the prevention and detection of frauds by distillers of spirits, the Commissioner may prescribe for use such hydrometers, saccharometers, weighing and gauging instruments, or other means for ascertaining the quantity, gravity, and producing capacity of any mash, wort, or beer used, or to be used, in the production of distilled spirits, and the strength and quantity of spirits subject to tax, as he may deem necessary; and he may prescribe rules and regulations to secure a uniform and correct system of inspection, weighing, marking, and gauging of spirits.

(b) *Transfer of duties.* For transfer of powers and duties of Commissioner and his agents, see section 3170.

SEC. 2809, I. R. C. DEFINITIONS—(a) *Distiller.* Every person who produces distilled spirits, or who brews or makes mash, wort, or wash, fit for distillation or for the production of spirits, or who, by any process of evaporation, separates alcoholic spirit from any fermented substance, or who, making or keeping mash, wort, or wash, has also in his possession or use a still, shall be regarded as a distiller.

(b) *Distilled spirits—(a) General definition.* Distilled spirits, spirits, alcohol, and alcoholic spirits within the true intent and meaning of this chapter, is that substance known as ethyl alcohol, hydrated oxide of ethyl, or spirit of wine, which is commonly produced by the fermentation of grain, starch, molasses, or sugar, including all dilutions and mixtures of this substance.

(c) *Proof spirits.* Proof spirits shall be held to be that alcoholic liquor which contains one-half its volume of alcohol of a specific gravity of seven thousand nine hun-

dred and thirty-nine ten-thousands (0.7939) at sixty degrees Fahrenheit.

SEC. 2810, I. R. C. REGISTRY OF STILL—(a) *Requirement.* Every person having in his possession or custody, or under his control, any still or distilling apparatus set up, shall register the same with the collector of the district in which it is, by subscribing and filing with him duplicate statements, in writing, setting forth the particular place where such still or distilling apparatus is set up, the kind of still and its cubic contents, the owner thereof, his place of residence, and the purpose for which said still or distilling apparatus has been or is intended to be used; one of which statements shall be retained and preserved by the collector, and the other transmitted by him to the Commissioner. Stills and distilling apparatus shall be registered immediately upon their being set up.

Every still or distilling apparatus not so registered, together with all personal property in the possession or custody, or under the control of such person, and found in the building, or in any yard or inclosure connected with the building in which the same may be set up, shall be forfeited.

And every person having in his possession or custody, or under his control, any still or distilling apparatus set up which is not so registered, shall pay a penalty of \$500, and shall be fined not less than \$100, nor more than \$1,000, and imprisoned for not less than one month, nor more than two years.

Stills and distilling apparatus set up at refineries for the refining of crude petroleum or the production of petroleum products and not used in the manufacture of distilled spirits are not required to be registered under this section.

(b) *Transfer of duties.* For transfer of powers and duties of Commissioner and his agents, see section 3170.

SEC. 2812, I. R. C. NOTICE OF BUSINESS OF DISTILLER OR RECTIFIER—(a) *Requirements.* Every person engaged in, or intending to be engaged in, the business of a distiller or rectifier, shall give notice in writing, subscribed by him, to the collector of the district wherein such business is to be carried on, stating his name and residence, and if a company or firm, the name and residence of each member thereof, the name and residence of every person interested or to be interested in the business, the precise place where said business is to be carried on, and whether of distilling or rectifying; and if such business is carried on in a city, the residence and place of business shall be indicated by the name of the street and number of the building. In case of a distiller, the notice shall also state the kind of stills and the cubic contents thereof, the number and kind of boilers, the number of mash tubs and fermenting tubs, the cubic contents of each tub, the number of receiving cisterns, the cubic contents of each cistern. * * * the estimated quantity of distilled spirits which the apparatus is capable of distilling every twenty-four hours, a particular description of the lot or tract of land on which the distillery is situated, and of the buildings thereon, including their size, material, and construction; and that said distillery premises are not within six hundred feet (or the distance permitted by the Secretary pursuant to law), in a direct line, of any premises authorized to be used for rectifying or refining distilled spirits by any process.

In case of any change in the location, form, capacity, ownership, agency, superintendency, or in the persons interested in the business of such distillery or rectifying establishment, * * * notice thereof, in writing shall be given to the said collector or proper deputy collector, of the district within twenty-four hours after such change; and any deputy collector receiving such notice shall immediately transmit the same to the collector of the district. Every notice required by this section shall be in such form,

and shall contain such additional particulars, as the Commissioner may, from time to time, prescribe.

Every person who fails or refuses to give such notice shall pay a penalty of \$1,000, and shall be fined not less than \$100 nor more than \$2,000; and every person who gives a false or fraudulent notice shall, in addition to such penalty or fine, be imprisoned not less than six months nor more than two years.

(b) *Transfer of duties.* For transfer of powers and duties of Commissioner and his agents, see section 3170.

SEC. 2814, I. R. C. DISTILLER'S BOND—(a) *Form and approval.*—(1) *In general.* Every person intending to commence or to continue the business of a distiller shall, on filing with the collector his notice of such intention, and before proceeding with such business, and on the 1st day of May of each succeeding year, execute a bond in the form prescribed by the Commissioner, conditioned that he shall faithfully comply with all the provisions of law relating to the duties and business of distillers, and shall pay all penalties incurred or fines imposed on him for a violation of any of the said provisions; and that he shall not suffer the lot or tract of land on which the distillery stands, or any part thereof, or any of the distilling apparatus, to be incumbered by mortgage, judgment, or other lien, during the time in which he shall carry on said business. Said bond shall be with at least two sureties, approved by the collector of the district, and for a penal sum not less than the amount of tax on the spirits that can be distilled in his distillery during a period of fifteen days. But in no case shall the bond exceed the sum of \$100,000.

The collector may refuse to approve said bond when, in his judgment, the situation of the distillery is such as would enable the distiller to defraud the United States; and in case of such refusal the distiller may appeal to the Commissioner, whose decision in the matter shall be final. A new bond shall be required in case of the death, insolvency, or removal of either of the sureties, and may be required in any other contingency at the discretion of the collector or Commissioner.

Every person who fails or refuses to give the bond hereinbefore required, or to renew the same, or who gives any false, forged, or fraudulent bond, shall forfeit the distillery, distilling apparatus, and all real estate and premises connected therewith, and shall be fined not less than \$500 nor more than \$5,000, and imprisoned not less than six months nor more than two years.

(2) *When exempt from survey requirements.* Whenever, under authority of law, the Secretary shall relieve a distiller from the survey requirements of section 2817, he may likewise by regulation fix the penal sum of the distiller's bond, but in no case shall the amount of the minimum bond be less than \$5,000 nor the amount of the maximum bond greater than \$100,000.

(b) *Cross references.* * * *

(2) *Transfer of duties.* For transfer of powers and duties of Commissioner and his agents, see section 3170.

SEC. 2815, I. R. C. CONDITIONS OF APPROVAL OF DISTILLER'S BOND—(a) *General.* No collector shall approve the bond of any distiller until all the requirements of the law and all regulations made by the Commissioner in relation to distilleries, in pursuance thereof, have been complied with.

Every collector who violates this provision shall forfeit and pay \$2,000, and be dismissed from office.

(b) *Ownership of land or consent of owner.*—(1) *Requirements.* No bond of a distiller shall be approved unless—

(A) The distiller is the owner in fee, unencumbered by any mortgage, judgment, or other lien, of the lot or tract of land on which the distillery is situated; or

(B) The distiller files with the officer designated for the purpose by the Commissioner, in connection with his notice, the written consent of the owner of the fee, and of any mortgagee, judgment-creditor, or other person having a lien thereon, duly acknowledged, that the premises may be used for the purpose of distilling spirits, subject to the provisions of law, and expressly stipulating that the lien of the United States for taxes and penalties shall have priority of such mortgage, judgment, or other encumbrance, and that in the case of the forfeiture of the distillery premises, or any part thereof, the title to the same shall vest in the United States, discharged from such mortgage, judgment, or other encumbrance; or, if consent as required under this paragraph cannot be obtained.

(C) The distiller, with the approval of the Commissioner, files with the officer designated by the Commissioner a bond, approved by the Commissioner, in the penal sum equal to the appraised value of the lot or tract of land on which the distillery is situated, the distillery, the buildings, and the distilling apparatus. Such value shall be determined, and such bond shall be executed, in such form and with such sureties, and filed with the officer designated by the Commissioner, under such regulations as the Secretary shall prescribe.

(D) In case of any distillery sold at judicial or other sale in favor of the United States, a bond may be taken at the discretion of the Commissioner, in lieu of the written consent required by this section, and the person giving such bond may be allowed to operate such distillery during the existence of the right of redemption from such sale on complying with all the other provisions of law.

(2) *Cross references.*—(A) *Distilleries erected prior to July 20, 1868.* For distilleries erected prior to July 20, 1868, see section 3180.

(B) *Transfer of duties.* For transfer of powers and duties of Commissioner and his agents, see section 3170.

(c) *Approval as condition to commencing business.* No individual, firm, partnership, corporation, or association, intending to commence or to continue the business of a distiller, rectifier, brewer, or winemaker, shall commence or continue the business of a distiller, rectifier, brewer, or winemaker until all bonds in respect of such a business, required by any provision of law, have been approved by the Commissioner or such other officer of the Bureau of Internal Revenue as the Commissioner, with the approval of the Secretary, may designate.

(d) *Disapproval.* The Commissioner or the designated officer may disapprove any such bond or bonds if the individual, firm, partnership, corporation or association giving the same, or owning, controlling, or actively participating in the management of the business of the individual or firm, partnership, corporation, or association giving the same, shall have been previously convicted, in a court of competent jurisdiction, of (1) any fraudulent noncompliance with any provision of any law of the United States if such provision related to internal-revenue or customs taxation of distilled spirits, wines, or fermented malt liquors, or if such an offense shall have been compromised with the individual, firm, partnership, corporation, or association upon payment of penalties or otherwise, or (2) any felony under a law of any State, Territory, or the District of Columbia, or the United States, prohibiting the manufacture, sale, importation, or transportation of distilled spirits, wine, fermented malt liquor, or other intoxicating liquor.

(e) *Appeal from disapproval.* In case the disapproval is by any officer other than the Commissioner, the individual, firm, partnership, corporation, or association giving the bond may appeal from such disapproval to the Commissioner.

The disapproval of the Commissioner in any matter under this section shall be final.

(f) *Transfer of duties.* For transfer of powers and duties of Commissioner and his agents, see section 3170.

SEC. 2816, I. R. C. PLAN OF DISTILLERY—(a) *Requirements.* Except as provided in section 2824 (a), every distiller and person intending to engage in the business of a distiller shall, previous to the approval of his bond, cause to be made, under the direction of the collector of the district, an accurate plan and description, in triplicate, of the distillery and distilling apparatus, distinctly showing the location of every still, boiler, doubler, worm tub, and receiving cistern, the course and construction of all fixed pipes used or to be used in the distillery, and of every branch and every cock or joint thereof, and of every valve therein, together with every place, vessel, tub, or utensil from and to which any such pipe leads, or with which it communicates; also the number and location and cubic contents of every still, mash tub, and fermenting tub, the cubic contents of every receiving cistern, and the color of each fixed pipe, as required in this chapter. One copy of said plan and description shall be kept displayed in some conspicuous place in the distillery, and two copies shall be furnished to the collector of the district, one of which shall be kept by him, and the other transmitted to the Commissioner. The accuracy of every such plan and description shall be verified by the collector, the draughtsman, and the distiller; and no alteration shall be made in such distillery without the consent, in writing, of the collector. Any alteration so made shall be shown on the original, or by a supplemental plan and description, and a reference thereto noted on the original, as the collector may direct; and any supplemental plan and description shall be executed and preserved in the same manner as the original.

(b) *Transfer of duties.* For transfer of powers and duties of Commissioner and his agents, see section 3170.

SEC. 2818, I. R. C. NOTICE OF MANUFACTURE OF AND PERMIT TO SET UP STILL.—(a) *Requirement.* Any person who manufactures any still, boiler, or other vessel to be used for the purpose of distilling, shall, before the same is removed from the place of manufacture, notify in writing the collector of the district in which such still, boiler, or other vessel is to be used or set up, by whom it is to be used, its capacity, and the time when the same is to be removed from the place of manufacture; and no such still, boiler, or other vessel shall be set up without the permit in writing of the said collector for that purpose; and

(b) *Penalty for setting up still without permit.* Any person who sets up any such still, boiler, or other vessel, without first obtaining a permit from the said collector of the district in which such still, boiler, or other vessel is intended to be used, or who fails to give such notice, shall pay in either case the sum of \$500, and shall forfeit the distilling apparatus thus removed or set up in violation of law.

(c) *Transfer of duties.* For transfer of powers and duties of Commissioner and his agents, see section 3170.

SEC. 2819, I. R. C. PREMISES PROHIBITED FOR DISTILLING. No person shall use any still, boiler, or other vessel, for the purpose of distilling, in any dwelling house, or in any shed, yard, or inclosure connected with any dwelling house, or on board of any vessel or boat, or in any building, or on any premises where beer, lager beer, ale, porter, or other fermented liquors, vinegar, or other, are manufactured or produced, or where sugars or sirups are refined, or where liquors of any description are retailed, or where any other business is carried on; or within six hundred feet in a direct line of any premises authorized to be used for rectifying, except

that the Secretary is authorized to permit such use for distilling on premises at such lesser distance than six hundred feet as he prescribes, in any case in which he deems that such permission may be granted without danger to the revenue; and every person who does any of the acts prohibited by this section, or aids or assists therein, or causes or procures the same to be done, shall be fined \$1,000 and imprisoned for not less than six months nor more than two years, in the discretion of the court, for each such offense; *Provided*, That saleratus may be manufactured, or meal or flour ground from grain, in any building or on any premises where spirits are distilled; but such meal or flour shall be used only for distillation on the premises; *Provided further*, That any boiler used in generating steam or heating water to be used in any distillery, may be located in any other building or on any other premises to be connected with such still or boiling tubs, by suitable pipes or other apparatus, or the steam from such boiler in the distillery may be conveyed to other premises to be used for manufacturing or other purposes.

SEC. 2822, I. R. C. REQUIREMENTS AS TO FURNACES, TUBS, DOUBLERS, WORM TANKS, AND FIXED PIPES—(a) *Requirements*. The door of the furnace of every still or boiler used in any distillery shall be so constructed that it may be securely fastened and locked. The fermenting tubs shall be so placed as to be easily accessible to any revenue officer, and each tub shall have distinctly painted thereon in oil colors its cubic contents in gallons and the number of the tub. There shall be a clear space of not less than one foot around every wood still, and not less than two feet around every doubler and worm tank. The doubler and worm tanks shall be elevated not less than one foot from the floor; and every fixed pipe to be used by the distiller, except for conveyance of water, or of spent mash or beer only, shall be so fixed and placed as to be capable of being examined by the officer for the whole of its length or course, and shall be painted, and kept painted, as follows, that is to say: Every pipe for the conveyance of mash or beer shall be painted of a red color; every pipe for the conveyance of low-wines back into the still or doubler shall be painted blue; every pipe for the conveyance of spirits shall be painted black, and every pipe for the conveyance of water shall be painted white. Whenever any fixed pipe is used by any distiller which is not painted or kept painted as herein directed, or which is painted otherwise than as herein directed, he shall forfeit the sum of \$1,000.

(b) *Transfer of duties*. For transfer of powers and duties of Commissioner and his agents, see section 3170.

SEC. 2823, I. R. C. CHANGES IN APPARATUS AND FASTENINGS—(a) *Power of Commissioner*. The Commissioner is authorized to order and require such changes of or additions to distilling apparatus, connecting pipes, pumps, or cisterns, or any machinery connected with or used in or on the distillery premises, or may require to be put on any of the stills, tubs, cisterns, pipes, or other vessels, such fastenings, locks, or seals, as he may deem necessary.

(b) *Transfer of duties*. For transfer of powers and duties of Commissioner and his agents, see section 3170.

SEC. 2825, I. R. C. EXEMPTION OF DISTILLERS OF FRUIT BRANDY FROM CERTAIN REQUIREMENTS. The Commissioner, with the approval of the Secretary, may exempt distillers of brandy made exclusively from apples, peaches, grapes, oranges, pears, pineapples, apricots, berries, plums, pawpaws, papayas, cantaloupes, persimmons, prunes, figs, cherries, dates, or citrus fruits (except lemons and limes) from any provision of the internal-revenue laws relating to the manufacture of spirits, except as to the tax thereon, when in his judgment it may seem expedient to do

so; *Provided*, That where, in the manufacture of wine or citrus-fruit wine, peach wine, cherry wine, berry wine, apricot wine, plum wine, pear wine, pawpaw wine, papaya wine, pineapple wine, cantaloup wine, or apple wine, artificial sweetening has been used, the wine, or the fruit pomace residuum thereof, or the citrus-fruit wine, peach wine, cherry wine, berry wine, apricot wine, plum wine, pear wine, pawpaw wine, papaya wine, pineapple wine, cantaloup wine, or apple wine, may be used in the distillation of brandy or citrus-fruit brandy, peach brandy, cherry brandy, berry brandy, apricot brandy, plum brandy, pear brandy, pawpaw brandy, papaya brandy, pineapple brandy, cantaloup brandy, or apple brandy, as the case may be, and such use shall not prevent the Commissioner, with the approval of the Secretary, from exempting such distiller from any provision of the internal-revenue laws relating to the manufacture of spirits, except as to the tax thereon, when in his judgment it may seem expedient to do so; *And provided further*, That the distillers mentioned in this section may add to not less than five hundred gallons (ten barrels) of grape cheese not more than five hundred gallons of a sugar solution made from cane, beet, starch, or corn sugar, 95 per centum pure, such solution to have a saccharine strength of not to exceed 10 per centum, and may ferment the resultant mixture on a winery or distillery premises, and such fermented product shall be regarded as distilling material.

SEC. 2826, I. R. C. KEEPING DISTILLERY ACCESSIBLE—(a) *Requirements*. No fence or wall of a height greater than five feet shall be erected or maintained around the premises of any distillery, so as to prevent easy and immediate access to such distillery, but the Secretary may authorize the construction and maintenance of a fence or wall of such greater height than five feet as he shall prescribe in any case in which in his opinion such higher fence or wall is necessary to give adequate protection from trespassers. And every distiller shall furnish to the collector of the district as many keys of the gates and doors of the distillery as may be required by the collector, from time to time, for any revenue officer or other person who may be authorized to make survey or inspection of the premises, or of the contents thereof; and said distillery shall be kept always accessible to any officer or other person having any such key. Every person who violates any of the provisions of this subsection by negligence or refusal, or otherwise, shall pay a penalty of \$500.

(b) *Transfer of duties*. For transfer of powers and duties of Commissioner and his agents, see section 3170.

SEC. 2827, I. R. C. ENTRY AND EXAMINATION OF DISTILLERY—(a) *Power of revenue officers*. It shall be lawful for any revenue officer at all times, as well by night as by day, to enter into any distillery or building or place used for the business of distilling, or used in connection therewith for storage or other purposes, and to examine, gauge, measure, and take an account of every still or other vessel or utensil of any kind, and of all low-wines, and of the quantity and gravity of all mash, wort, or beer, and of all yeast, or other compositions for exciting or producing fermentation in any mash or beer, of all spirits and of all materials for making or distilling spirits, which may be in any such distillery or premises, or in possession of the distiller.

And whenever any internal revenue officer, or any person called by him to his aid, is hindered, obstructed, or prevented by any distiller or by any workman, or other person acting for such distiller, or in his employ, from entering into any such distillery or building or place as aforesaid; or any such officer is by the distiller, or his workman, or any person in his employ, prevented or hindered from, or opposed, or obstructed, or

molested in the performance of his duty under the internal revenue laws, in any respect, the distiller shall forfeit the sum of not exceeding \$1,000.

And whenever any officer, having demanded admittance into a distillery or distillery premises, and having declared his name and office, is not admitted into such distillery or premises by the distiller or other person having charge thereof, it shall be lawful for such officer at all times, as well by night as by day, to break open by force any of the doors or windows, or to break through any of the walls of such distillery or premises necessary to be broken open or through, to enable him to enter the said distillery or premises; and the distiller shall forfeit the sum of not exceeding \$1,000.

(b) *Transfer of duties*. For transfer of powers and duties of Commissioner and his agents, see section 3170.

SEC. 2828, I. R. C. DISTILLERS AND RECTIFIERS TO FURNISH FACILITIES AND GIVE ASSISTANCE FOR EXAMINATION OF PREMISES—(a) *Power of revenue officers*. On the demand of any internal revenue officer or agent, every distiller or rectifier shall furnish strong, safe, and convenient ladders of sufficient length to enable the officer or agent to examine and gauge any vessel or utensil in such distillery or premises; and shall, at all times when required, supply all assistance, lights, ladders, tools, staging, or other things necessary for inspecting the premises, stock, tools, and apparatus belonging to such person, and shall open all doors, and open for examination all boxes, packages, and all cask, barrels, and other vessels not under the control of the revenue officer in charge, under a penalty of \$500 for every refusal or neglect so to do.

(b) *Transfer of duties*. For transfer of powers and duties of Commissioner and his agents, see section 3170.

SEC. 2829, I. R. C. INSTALLATION OF METERS, TANKS, AND OTHER APPARATUS—(a) *Power of the Commissioner*. The Commissioner, with the approval of the Secretary, is authorized to require at distilleries, breweries, rectifying houses, and wherever else in his judgment such action may be deemed advisable, the installation of meters, tanks, pipes, or any other apparatus for the purpose of protecting the revenue, and such meters, tanks, and pipes and all necessary labor incident thereto shall be at the expense of the person on whose premises the installation is required. Any such person refusing or neglecting to install such apparatus when so required by the Commissioner shall not be permitted to conduct business on such premises.

(b) *Transfer of duties*. For transfer of powers and duties of Commissioner and his agents, see section 3170.

SEC. 2830, I. R. C. OFFICER'S AUTHORITY TO BREAK UP GROUNDS OR WALLS—(a) *Power of revenue agent*. It shall be lawful for any revenue officer, and any person acting in his aid, to break up the ground on any part of a distillery, or premises of a distiller or rectifier, or any ground adjoining or near to such distillery or premises, or any wall or partition thereof, or belonging thereto, or other place, to search for any pipe, cock, private conveyance, or utensil; and, upon finding any such pipe or conveyance leading therefrom or thereto, to break up any ground, house, wall, or other place through or into which such pipe or other conveyance leads, and to break or cut away such pipe or other conveyance, and turn any cock, or to examine whether such pipe or other conveyance conveys or conceals any mash, wort, or beer, or other liquor, which may be used for the distillation of low-wines or spirits, from the sight or view of the officer, so as to prevent or hinder him from taking a true account thereof.

(b) *Transfer of duties*. For transfer of powers and duties of Commissioner and his agents, see section 3170.

SEC. 2831, I. R. C. SIGNS OF DISTILLERS, RECTIFIERS, AND WHOLESALE LIQUOR DEALERS.

Every person engaged in distilling or rectifying spirits, and every wholesale liquor dealer, shall place and keep conspicuously on the outside of the place of such business a sign, exhibiting in plain and legible letters, not less than three inches in length, painted in oil-colors or gilded, and of a proper and proportionate width, the name or firm of the distiller, rectifier, or wholesale dealer, with the words: "Registered distillery," "rectifier of spirits," or "wholesale liquor dealer," as the case may be. Every person who violates the foregoing provision by negligence or refusal, or otherwise, shall pay a penalty of \$500.

And every person, other than a rectifier or wholesale liquor dealer who has paid the special tax, or a distiller who has given bond as required by law, who puts up or keeps up the sign required by this section, or any sign indicating that he may lawfully carry on the business of a distiller, rectifier, or wholesale liquor dealer, shall forfeit and pay \$1,000, and shall be imprisoned not less than one month nor more than six months. And every person who works in any distillery, rectifying establishment, or wholesale liquor store, on which no sign is placed and kept, as hereinbefore provided; and every person who knowingly receives at, carries or conveys any distilled spirits to or from, any such distillery, rectifying establishment, warehouse, or store, or who knowingly carries and delivers any grain, molasses, or other raw material to any distillery on which such sign is not placed and kept, shall forfeit all horses, carts, drays, wagons, or other vehicle or animal used in carrying or conveying such property aforesaid, and shall be fined not less than \$100 nor more than \$1,000, or be imprisoned not less than one month nor more than six months.

SEC. 2832, I. R. C. CONDITIONS PRECEDENT TO CARRYING ON BUSINESS OF DISTILLING. It shall not be lawful for any distiller to commence the business of distilling, until he has given the bond required by law, and complied with the provisions of law relating to the registration . . . of distilleries, and the arrangement and construction of distilleries and the premises connected therewith; nor shall it be lawful for any person to engage in the business of distilling on any premises distant less than six hundred feet in a direct line from any premises used for rectifying; nor shall the processes of distillation and rectification both be carried on within the distance of six hundred feet in a direct line; except that the Secretary is authorized to permit such business of distilling or process of distillation to be carried on at such lesser distance than six hundred feet as he prescribes, in any case in which he deems that such permission may be granted without danger to the revenue.

SEC. 2833, I. R. C. DISTILLING WITHOUT GIVING BOND—(a) *Penalty and forfeiture.* Any person who shall carry on the business of a distiller without having given bond as required by law, or who shall engage in or carry on the business of a distiller with intent to defraud the United States of the tax on the spirits distilled by him, or any part thereof, shall, for every such offense be fined not less than \$100 nor more than \$5,000 and imprisoned for not less than thirty days nor more than two years. And all distilled spirits or wines, and all stills or other apparatus, fit or intended to be used for the distillation or rectification of spirits, or for the compounding of liquors, owned by such person, wherever found, and all distilled spirits or wines and personal property found in the distillery or in any building, room, yard, or inclosure connected therewith, and used with or constituting a part of the premises, and all the right, title, and interest of such person in the lot or tract of land on which such distillery is situated, and all right, title, and interest therein of every

person who knowingly has suffered or permitted the business of a distiller to be there carried on, or has connived at the same; and all personal property owned by or in possession of any person who has permitted or suffered any building, yard, or inclosure, or any part thereof, to be used for purposes of ingress or egress to or from such distillery, which shall be found in any such building, yard, or inclosure, and all the right, title, and interest of every person in any premises used for ingress or egress to or from such distillery, who has knowingly suffered or permitted such premises to be used for such ingress or egress, shall be forfeited to the United States.

(b) *Transfer of duties.* For transfer of powers and duties of Commissioner and his agents, see section 3170.

SEC. 2835, I. R. C. PROHIBITED HOURS FOR DISTILLING. Except as provided in section 2837, no malt, corn, grain, or other material shall be mashed, nor any mash, wort, or beer brewed or made, nor any still used by a distiller, at any time between the hour of eleven in the afternoon of any Saturday and the hour of one in the forenoon of the next succeeding Monday; and every person who violates the provisions of this section shall be liable to a penalty of \$1,000.

SEC. 2839, I. R. C. DRAWING OFF WATER AND CLEANSING WORM TUBS—(a) *Requirements.* Whenever any officer or internal revenue agent requires the water contained in any worm tub in a distillery, at any time when the still is not at work, to be drawn off, and the tub and worm cleansed, the water shall forthwith be drawn off, and the tub and worm cleansed by the distiller, or his workmen, accordingly; and the water shall be kept and continued out of such worm tub for the period of two hours, or until the officer or agent has finished his examination thereof. For any refusal or neglect to comply with any provision of this section, the distiller shall forfeit the sum of not exceeding \$1,000; and it shall be lawful for the officer or agent to draw off such water, or any portion of it, and to keep the same drawn off for so long a time as he shall think necessary.

(b) *Transfer of duties.* For transfer of powers and duties of Commissioner and his agents, see section 3170.

SEC. 2841, I. R. C. DISTILLER'S BOOKS—(a) *Entries—(1) Requirements.* Every person who makes or distills spirits, or owns any still, boiler, or other vessel used for the purpose of distilling spirits or who has such still, boiler, or other vessel so used under his superintendence, either as agent or owner, or who uses any such still, boiler, or other vessel, shall keep a record, in the form and manner prescribed by the Commissioner, of the receipt on the distillery premises, and the use thereon, of materials intended for use in the distillation of spirits, and of the number of gallons of spirits distilled, the number of gallons placed in the warehouse, and the proof thereof, the number of gallons sold or removed with the proof thereof, and the name, place of business and residence of the person to whom sold.

(2) *Transfer of duties.* For transfer of powers and duties of Commissioner and his agents, see section 3170.

(b) *Preservation and inspection.* The books of every distiller hereinbefore required shall always be kept at the distillery and be always open to the inspection of any revenue officer, and, when filled up, shall be preserved by the distiller for a period of not less than two years thereafter, and whenever required shall be produced for the inspection of any revenue officer.

(c) *Penalty and forfeiture—(1) Omitting entries or making false entries.* Whenever any false entry is made in, or any entry required to be made is omitted from, either of the said books mentioned in the two preceding subsections, with intent to defraud

or to conceal from the revenue officers any fact or particular required to be stated and entered in either of said books, or to mislead in reference thereto; or any distiller as aforesaid omits or refuses to provide either of said books, or cancels, obliterates, or destroys any part of either of such books, or any entry therein, with intent to defraud, or permits the same to be done, or such books, or either of them, are not produced when required by any revenue officer, the distillery, distilling apparatus, and the lot or tract of land on which it stands, and all personal property on said premises used in the business there carried on, shall be forfeited to the United States. And every person who makes such false entry, or omits to make any entry hereinbefore required to be made, with intent aforesaid, or who causes or procures the same to be done, or fraudulently cancels, obliterates, or destroys any part of said books, or any entry therein, or willfully fails to produce such books, or either of them, shall be fined not less than \$500, nor more than \$5,000, and imprisoned not less than six months, nor more than two years.

(2) *Transfer of duties.* For transfer of powers and duties of Commissioner and his agents, see section 3170.

SEC. 2842, I. R. C. PENALTY FOR USING FALSE WEIGHTS AND MEASURES. Every person who knowingly uses any false weights or measures in ascertaining, weighing, or measuring the quantities of grain, meal, or vegetable materials, molasses, beer, or other substances to be used for distillation, shall be fined not less than \$500 nor more than \$5,000, and imprisoned not less than one year nor more than three years.

SEC. 2843, I. R. C. PENALTY FOR USING UNREGISTERED MATERIALS. Any person who uses any molasses, beer, or other substance, whether fermented on the premises or elsewhere, for the purpose of producing spirits, before an account of the same is registered in the proper book provided for that purpose, shall forfeit and pay the sum of \$1,000 for each offense so committed.

SEC. 2847, I. R. C. RELIEF FROM ASSESSMENTS UNDER SECTION 2846—(a) *Power of Commissioner.* . . . And the Commissioner upon the production to him of satisfactory proof of the actual destruction, by accidental fire or other casualty, and without any fraud, collusion, or negligence of the distiller of any spirits in process of manufacture or distillation, or before removal to the distillery warehouse, shall not . . . assess the tax on the spirits so destroyed:

SEC. 2850, I. R. C. SUSPENSION AND RESUMPTION OF DISTILLING—(a) *Requirements.* Any distiller desiring to suspend work in his distillery may give notice in writing to the collector of the district, stating when he will suspend work; and on the day mentioned in said notice said collector or one of his deputies shall, at the expense of the distiller, proceed to fasten securely the door of every furnace of every still or boiler in said distillery, by locks and otherwise, and shall adopt such other means as the Commissioner may prescribe to prevent the lighting of any fire in such furnace or under such stills or boilers. The locks and seals, and other materials required for such purpose, shall be furnished to the collector by the Commissioner, to be duly accounted for by said collector. Such notice by any distiller, and the action taken by the collector in pursuance thereof, shall be immediately transmitted to the Commission. No distiller, after having given such notice, shall, after the time stated therein, carry on the business of a distiller on said premises until he gives another notice in writing to said collector, stating the time when he will resume work; and at the time so stated for resuming work the collector or one of his deputies shall attend at the distillery to remove said locks and other fastenings;

and thereupon, and not before, work may be resumed in said distillery, which fact shall be immediately reported to the collector of the district, and by him transmitted to the Commissioner.

Every distiller who, after the time fixed in said notice declaring his intention to suspend work, carries on the business of a distiller on said premises, or has mash, wort, or beer in his distillery, or on any premises connected therewith or has in his possession or under his control any mash, wort, or beer, with intent to distill the same on said premises, shall incur the forfeitures and be subject to the same punishment as provided for persons who carry on the business of a distiller without having given the bonds required by law.

But nothing in this section shall be held to apply to suspensions caused by unavoidable accident; and the Commissioner shall prescribe regulations to govern such cases of involuntary suspension.

(b) *Transfer of duties.* For transfer of powers and duties of Commissioner and his agents, see section 3170.

SEC. 2857, I. R. C. BOOKS OF RECTIFIERS AND WHOLESALE DEALERS—(a) *Requirements.* Every rectifier and every wholesale liquor dealer who sells, or offers for sale, distilled spirits in quantities of five wine-gallons or more to the same person at the same time shall keep daily, at his place of business covered by his special tax stamp, a record of distilled spirits received and disposed of by him, and shall render under oath correct transcripts and summaries of such records: *Provided,* That the Commissioner may in his discretion require such record to be kept at the place where the spirits are actually received and sent out. The records shall be kept and the transcripts shall be rendered in such form, and under such rules and regulations as the Commissioner, with the approval of the Secretary, may prescribe.

The records required to be kept under the provisions of this section and regulations issued pursuant thereto, shall be preserved for a period of four years, and during such period shall be available during business hours for inspection and the taking of abstracts therefrom by the Commissioner or any internal revenue officer.

Every rectifier and wholesale liquor dealer who refuses or neglects to keep such records in the form prescribed by the Commissioner, with the approval of the Secretary, or to make entries therein, or cancels, alters, or obliterates any entry therein (except for the purpose of correcting errors) or destroys any part of such records, or any entry therein, or makes any false entry therein, or hinders or obstructs any internal revenue officer from inspecting such records or taking any abstracts therefrom, or neglects or refuses to preserve or produce such records as required by this chapter or by regulations issued pursuant thereto, shall pay a penalty of \$100 and, on conviction, shall be fined not less than \$100 nor more than \$5,000, and be imprisoned not less than three months nor more than three years.

Every rectifier and wholesale liquor dealer who refuses or neglects to render transcripts or summaries in the form required by the Commissioner, with the approval of the Secretary, shall, upon conviction, be fined not more than \$100 for each such neglect or refusal.

(b) *Transfer of duties.* For transfer of powers and duties of Commissioner and his agents, see section 3170.

SEC. 2859, I. R. C. BOOKS OF DISTILLERS AS WHOLESALE DEALERS—(a) *Requirement.* Every distiller shall keep daily a record of distilled spirits of his own production disposed of by him, and shall render under oath correct transcripts and summaries of such records. The records shall be kept and the transcripts shall be rendered in such form, and under such rules and regulations as the Commis-

sioner, with the approval of the Secretary, may prescribe.

The records required to be kept under the provisions of this section and regulations issued pursuant thereto, shall be preserved for a period of four years, and during such period shall at all times be available, during business hours, for inspection and the taking of abstracts therefrom by the Commissioner or any internal revenue officer.

Every distiller who refuses or neglects to keep such records in the form prescribed by the Commissioner, with the approval of the Secretary, or to make entries therein, or cancels, alters, or obliterates any entry therein (except for the purpose of collecting errors) or destroys any part of such records, or any entry therein, or makes any false entry therein, or hinders or obstructs any internal revenue officer from inspecting such records or taking any abstracts therefrom, or neglects or refuses to preserve or produce such records as required by this chapter or by regulations issued pursuant thereto, shall pay a penalty of \$100 and, on conviction, shall be fined not less than \$100 nor more than \$5,000, and be imprisoned not less than three months nor more than three years.

Every distiller who refuses or neglects to render the transcripts or summaries in the form as required by the Commissioner, with the approval of the Secretary, shall, upon conviction, be fined not more than \$100 for each such neglect or refusal.

(b) *Transfer of duties.* For transfer of powers and duties of Commissioner and his agents, see section 3170.

SEC. 2868, I. R. C. EFFACEMENT OF STAMPS AND BRANDS ON EMPTIED PACKAGES. Every person who empties or draws off, or causes to be emptied or drawn off, any distilled spirits from a cask or package bearing any mark, brand, or stamp, required by law, shall at the time of emptying such cask or package, efface and obliterate said mark, stamp, or brand. Every such cask or package from which said mark, brand, or stamp is not effaced and obliterated as herein required, shall be forfeited to the United States, and may be seized by any officer of internal revenue, wherever found. And every railroad company or other transportation company, or person who receives or transports, or has in possession with intent to transport, or with intent to cause or procure to be transported, any such empty cask or package, or any part thereof, having thereon any brand, mark, or stamp, required by law to be placed on any cask or package containing distilled spirits, shall forfeit \$300 for each such cask or package, or any part thereof, so received or transported, or had in possession with the intent aforesaid; and every boat, railroad car, cart, dray, wagon, or other vehicle, and all horses and other animals used in carrying or transporting the same, shall be forfeited to the United States. Every person who fails to efface and obliterate said mark, stamp, or brand, at the time of emptying such cask or package, or who receives any such cask or package, or any part thereof, with the intent aforesaid, or who transports the same, or knowingly aids or assists therein, or who removes any stamp provided by law from any cask or package containing, or which had contained, distilled spirits, without defacing and destroying the same at the time of such removal, or who aids or assists therein, or who has in his possession any such stamp so removed as aforesaid, or has in his possession any canceled stamp, or any stamp which has been used, or which purports to have been used, upon any cask or package of distilled spirits, shall be deemed guilty of a felony, and shall be fined not less than \$500 nor more than \$10,000, and imprisoned not less than one year nor more than five years.

SEC. 2870, I. R. C. PROHIBITED HOURS FOR REMOVAL OF SPIRITS. No person shall remove any distilled spirits at any other time than after sun-rising and before sun-setting in

any cask or package containing more than ten gallons from any premises or building in which the same may have been distilled, redistilled, rectified, compounded, manufactured, or stored; and every person who violates this provision shall be liable to a penalty of \$100 for each cask, barrel, or package of spirits so removed; and said spirits, together with any vessel containing the same, and any horse, cart, boat, or other conveyance used in the removal thereof, shall be forfeited to the United States.

SEC. 2871, I. R. C. REGULATION OF TRAFFIC IN CONTAINERS OF DISTILLED SPIRITS. Whenever in his judgment such action is necessary to protect the revenue, the Secretary is authorized, by the regulations prescribed by him, and permits issued thereunder if required by him (1) to regulate the size, branding, marking, sale, resale, possession, use, and re-use of containers (of a capacity of less than five wine-gallons) designed or intended for use for the sale at retail of distilled spirits (within the meaning of such term as it is used in section 2803) for other than industrial use, and (2) to require, of persons manufacturing, dealing in, or using any such containers, the submission to such inspection, the keeping of such records, and the filing of such reports as may be deemed by him reasonably necessary in connection therewith. Whoever willfully violates the provisions of any regulation prescribed, or the terms or conditions of any permit issued, pursuant to the authorization contained in this section, and any officer, director, or agent of any corporation who knowingly participates in such violation, shall, upon conviction, be fined not more than \$1,000 or be imprisoned for not more than two years, or both; and, notwithstanding any criminal conviction, the containers involved in such violation shall be forfeited to the United States, and may be seized and condemned by like proceedings as those provided by law for forfeitures, seizures, and condemnations for violations of the internal-revenue laws, and any such containers so seized and condemned shall be destroyed and not sold. Any requirements imposed under this section shall be in addition to any other requirements imposed by, or pursuant to, law, and shall apply as well to persons not liable for tax under the internal-revenue laws as to persons so liable.

SEC. 2873, I. R. C. REGULATIONS FOR ESTABLISHMENT, MAINTENANCE, AND SUPERVISION. The establishment, construction, maintenance, and supervision of internal revenue bonded warehouses shall be under such regulations as the Commissioner, with the approval of the Secretary, shall prescribe.

SEC. 2877, I. R. C. STOREKEEPER-GAUGER'S RECORDS—(a) *Requirement.* The storekeeper-gauger assigned to any distillery shall, in addition to all other duties required to be performed by him, keep such records and submit such reports as the Commissioner, with the approval of the Secretary, shall, by regulations, prescribe.

(b) *Transfer of duties.* For transfer of powers and duties of Commissioner and his agents, see section 3170.

SEC. 2878, I. R. C. DRAWING, GAUGING, AND MARKING OF DISTILLED SPIRITS—(a) *General rule.* Except as provided in section 2883, all distilled spirits shall be drawn from receiving cisterns into casks or packages and thereupon shall be gauged, proved, and marked by a storekeeper-gauger, and immediately removed into an internal revenue bonded warehouse. The Commissioner, with the approval of the Secretary, is hereby empowered to prescribe all necessary regulations relating to the drawing off, gauging, and packaging of distilled spirits; the marking, branding, numbering, and stamping of such packages; and the transfer and transportation to, and the storage of such spirits in, internal revenue bonded warehouses.

(b) *In wooden packages containing metal-lie cans for export.* Upon the application of

the distiller and under such regulations as the Commissioner, with the approval of the Secretary, may prescribe, distilled spirits may be drawn into wooden packages, each containing two or more metallic cans, which cans shall each have a capacity of not less than five gallons, wine measure. Such packages shall be filled and used only for exportation from the United States. And there shall be charged for each of said packages or cases for the expense of providing and affixing stamps, 5 cents.

(c) *Standards of fill.* The Commissioner, with the approval of the Secretary, may, by regulations, prescribe the standards of fill of casks or packages of distilled spirits at each distillery.

(d) *Marking and branding by distiller.* The Commissioner, with the approval of the Secretary, may, by regulations, from time to time, require a distiller, at his expense and under the immediate personal supervision of a storekeeper-gauger, to do such marking and branding and such mechanical labor pertaining to gauging required under this section as the Commissioner deems proper and determines may be done without danger to the revenue.

(e) *Transfer of duties.* For transfer of powers and duties of Commissioner and his agents, see section 3170.

SEC. 2879, I. R. C. DEPOSITS OF SPIRITS IN WAREHOUSES—(a) *Entry for deposit.* The distillers of all spirits removed to an internal revenue bonded warehouse shall enter the same for deposit in such warehouse, under such regulations as the Commissioner may prescribe. Said entry shall be in such form as the Commissioner shall prescribe.

SEC. 2883, I. R. C. TRANSFER OF SPIRITS AT REGISTERED DISTILLERIES—(a) *Requirements.* Subject to the provisions of existing law, spirits of one hundred and sixty degrees of proof or more produced at registered distilleries, including registered fruit distilleries (such registered distilleries and registered fruit distilleries being referred to hereafter as "distillery" or "distilleries"), may be transferred by means of pipelines from receiving cisterns in the distillery direct to storage tanks in the internal revenue bonded warehouse located on the bonded premises where produced or located contiguous thereto, and be warehoused in such storage tanks, or they may be withdrawn from the receiving cisterns, without, or after reduction in proof, into approved containers and transferred to any internal revenue bonded warehouse for storage therein, or they may be tax-paid in such approved containers in the cistern rooms of distilleries without being entered into an internal revenue bonded warehouse. Such spirits may be drawn into approved containers from storage tanks in an internal revenue bonded warehouse. Spirits of one hundred and sixty degrees of proof, or more, may be transferred in bond in tank cars from cistern rooms of distilleries or from storage tanks in an internal revenue bonded warehouse and be deposited in storage tanks in any internal revenue bonded warehouse. Such spirits in tanks in internal revenue bonded warehouses distilled at or above one hundred and ninety degrees of proof may be reduced to not less than one hundred and eleven degrees prior to being drawn into packages. Such spirits, upon tax payment, may be withdrawn in approved containers, including pipelines to contiguous premises, for use for beverage purposes only. Except as provided in subsection (c) hereof and section 2916, such spirits may not be withdrawn for denaturation.

(b) *Transfer of fortifying spirits.* Fortifying spirits of one hundred and sixty degrees of proof or more may be transferred by pipeline from registered fruit distilleries and receiving cisterns in such distilleries to the fortification rooms of contiguous wineries or to storage tanks in the internal revenue

bonded warehouse located on the distillery premises where the spirits were produced, or from such storage tanks to the fortification rooms of contiguous wineries.

(c) *Redistillation of spirits.* Distilled spirits of any proof may be transferred from a distillery or an internal revenue bonded warehouse to any distillery for redistillation upon a showing of the need therefor: *Provided*, That only spirits of one hundred and sixty degrees of proof or more may be transferred by pipeline to a distillery for redistillation from storage tanks in an internal revenue bonded warehouse located on such distillery premises or located contiguous thereto: *Provided further*, That spirits of any proof may be transferred by pipeline for redistillation from receiving tanks in a distillery to a contiguous distillery. Upon removal of distilled spirits to any distillery for redistillation, the consignee distiller shall assume the liability for the payment of the tax on the spirits from the time they leave the internal revenue bonded warehouse or distillery, and the tax liability on the producing distiller or the internal revenue bonded warehouseman, and the liens on the premises of the producing distiller shall cease, and the tax and liens shall become the liability of the consignee distiller: *Provided further*, That upon redistillation the redistilled spirits shall be treated the same as if the spirits had been originally produced by the redistiller and all prior obligations as to taxes and liens shall be superseded. Sections 2800 (a) (5) and 3250 (f) (1) shall not apply to the redistillation of spirits removed under the provisions of this section.

(f) *Regulations.* The Commissioner, with the approval of the Secretary, is hereby empowered to prescribe all necessary regulations relating to the drawing off, transferring, gaging, storing, redistillation, and transportation of the spirits; the records to be kept and returns to be made; the size and kind of containers to be used; the marking, branding, numbering, and stamping of such containers; and the kind of bond and the penal sum thereof.

(g) *Effect on other laws.* Nothing contained in this section shall be construed as restricting or limiting the provisions of other sections of the internal-revenue laws relating to internal revenue bonded warehouses, distilleries, and bonded wineries.

(h) *Transfer of duties.* For transfer of powers and duties of Commissioner and his agents, see section 3170.

SEC. 2885, I. R. C. EXPORTATION OF SPIRITS WITHDRAWN FROM WAREHOUSES—(a) *Entries, bonds, and bills of lading.* Distilled spirits may be withdrawn from internal revenue bonded warehouses, at the instance of the owner of the spirits, for exportation in the original casks or packages, without the payment of tax, under such regulations, and after making such entries and executing and filing with the collector of the district from which the removal is to be made such bonds and bills of lading, and giving such other additional security as may be prescribed by the Commissioner, with the approval of the Secretary, and bonds given under this section shall be canceled under such regulations as the Secretary shall prescribe. The bonds required to be given for the exportation of distilled spirits shall be canceled upon the presentation of satisfactory proof and certificates that said distilled spirits have been landed at the port of destination named in the bill of lading, or upon satisfactory proof that after shipment the same were lost at sea without fault or neglect of the owner or shipper thereof.

(b) *Marks, stamps, and permits.* All distilled spirits intended for export, as aforesaid, before being removed from the internal revenue bonded warehouse, shall be marked as the Commissioner may prescribe, and shall

have affixed to each cask an engraved stamp indicative of such intention, to be provided and furnished by the several collectors as in the case of other stamps, and to be charged to them and accounted for in the same manner, and for the expense attending the providing and affixing such stamps 10 cents for each package so stamped shall be paid to the collector on making the entry for such transportation. When the owner of the spirits shall have made the proper entries, filed the bonds, and otherwise complied with all the requirements of the law and regulations as herein provided, the collector shall issue to him a permit for the removal and transportation of said spirits to the collector of the port from which the same are to be exported, accurately describing the spirits to be shipped, the amount of tax thereon, the State and district from which the same is to be shipped, the name of the distiller by whom distilled, the port to which the same are to be transported, the name of the collector of the port to whom the spirits are to be consigned, and the routes over which they are to be sent to the port of shipment. Such shipments shall be made over bonded routes whenever practicable. The collector of the port shall receive such spirits, and permit the exportation thereof, under the same rules and regulations as are prescribed for the exportation of spirits upon which the tax has been paid.

(c) *Metallic cans in wooden packages.* For authority of distiller to draw distilled spirits into wooden packages, each containing two or more metallic cans, for exportation only, see section 2873 (b).

(d) *Penalties and forfeitures—(1) Fraudulent claim for drawback.* And every person who fraudulently claims, or seeks, or obtains an allowance of drawback on any distilled spirits, or fraudulently claims any greater allowance or drawback than the tax actually paid thereon, shall forfeit and pay to the Government of the United States triple the amount wrongfully and fraudulently sought to be obtained, and shall be imprisoned not more than ten years; and every owner, agent, or master of any vessel or other person who knowingly aids or abets in the fraudulent collection or fraudulent attempts to collect any drawback upon, or knowingly aids or permits any fraudulent change in the spirits so shipped, shall be fined not exceeding \$5,000 and imprisoned not more than one year, and the ship or vessel on board of which such shipment was made, or pretended to be made shall be forfeited to the United States, whether a conviction of the master or owner be had or otherwise, and proceedings may be had in admiralty by libel for such forfeiture.

(2) *Unlawful relanding.* Every person who intentionally relands within the jurisdiction of the United States any distilled spirits which have been shipped for exportation under the provisions of this chapter, or who receives such relanded distilled spirits, and every person who aids or abets in such relanding or receiving of such spirits, shall be fined not exceeding \$5,000 and imprisoned not more than three years; and all distilled spirits so relanded, together with the vessel from which the same were relanded within the jurisdiction of the United States, and all boats, vehicles, horses, or other animals used in relanding and removing such distilled spirits, shall be forfeited to the United States.

(e) *Transfer of Duties.* For transfer of powers and duties of Commissioner and his agents, see section 3170.

SEC. 2888, I. R. C. TRANSFER OF SPIRITS INTO TANK CARS FOR EXPORT—(a) *Requirement.* Under such regulations as the Commissioner, with the approval of the Secretary, may prescribe, alcohol or other distilled spirits of a proof strength of not less than one hundred and eighty degrees intended for export free of tax may be drawn from receiving cisterns at any distillery, or from storage tanks in any internal revenue bonded warehouse for trans-

fer to tanks or tank cars for export from the United States, and all provisions of law relating to the exportation of distilled spirits not inconsistent herewith shall apply to spirits removed for export under the provisions of this section.

(b) *Transfer of duties.* For transfer of powers and duties of Commissioner and his agents, see section 3170.

SEC. 2901, I. R. C. LOSS ALLOWANCES—(a) *Extent.* No tax shall be collected in respect of distilled spirits lost or destroyed while in bond, except that such tax shall be collected—

(1) *Theft.* In the case of loss by theft unless the Commissioner shall find that the theft occurred without connivance, collusion, fraud, or negligence on the part of the distiller, warehouseman, owner, consignor, consignee, bailee, or carrier, or the employees of any of them; and

(2) *Voluntary destruction.* In the case of voluntary destruction unless the distilled spirits were unfit for use for beverage purposes and the distiller, warehouseman, or other person responsible for the tax, obtained the written permission of the Commissioner for such destruction in each case.

(b) *Proof of loss.* In any case in which spirits are lost or destroyed, whether by theft or otherwise, the Commissioner may require the distiller or warehouseman or other person responsible for the tax to file a claim for relief from the tax and submit proof as to the cause of such loss. In every case where it appears that the loss was by theft, the burden shall be upon the distiller or warehouseman or other person responsible for the tax to establish to the satisfaction of the Commissioner that such loss did not occur as the result of connivance, collusion, fraud, or negligence on the part of the distiller, warehouseman, owner, consignor, consignee, bailee, or carrier, or the employees of any of them.

(c) *Refund of tax.* When, in any case where the tax would not be collectible by virtue of subsection (a), but such tax has been paid, the Commissioner shall refund such tax. Nothing in section 2901 as hereby amended, or as heretofore amended, shall be construed to authorize refund of the tax where the loss occurred after the tax was paid.

(d) *Insurance coverage.* The abatement or refund of taxes provided for by subsections (a) and (c) in the case of loss of distilled spirits by theft shall only be allowed to the extent that the claimant is not indemnified against or recompensed for such loss.

(e) *Transfer of Duties.* For transfer of powers and duties of Commissioner and his agents, see section 3170.

SEC. 2916, I. R. C. REMOVAL FOR DENATURATION OR DESTRUCTION OF DISTILLATES CONTAINING ALDEHYDES OR FUSIL OIL—(a) *Power of Commissioner.* Under rules and regulations to be prescribed by the Commissioner, with the approval of the Secretary, distillates may collect, in locked tanks, distillates containing one-half of 1 per centum or more of aldehydes or 1 per centum or more of fusil oil (heads and tails) removed in the course of distillation. The distillates so collected may, under regulations prescribed by the Commissioner, with the approval of the Secretary, be removed from such distillery for denaturation or be destroyed in the manner prescribed by the Commissioner, under the supervision of an internal revenue officer to be designated by the Commissioner, and when so denatured or destroyed shall not be subject to the tax imposed by law upon distilled spirits.

(b) *Transfer of duties.* For transfer of powers and duties of Commissioner and his agents, see section 3170.

SEC. 3031, I. R. C. TAX ON BRANDY OR SPIRITS USED IN FORTIFICATION—(a) *Withdrawal of spirits for fortification.* Under such regulations and official supervision and

upon the giving of such notices and entries as the Commissioner, with the approval of the Secretary, may prescribe, any producer of wines defined under the provisions of this subchapter may withdraw from any fruit distillery or internal revenue bonded warehouse grape brandy (hereafter in this section included in the term "brandy"), or wine spirits, for the fortification of such wines on the premises where actually made, and any producer of citrus-fruit wines, peach wines, cherry wines, berry wines, apricot wines, prune wines, plum wines, pear wines, pawpaw wines, papaya wines, pineapple wines, cantaloup wines, or apple wines (hereafter in this section included in the term "wines") may similarly withdraw citrus-fruit brandy, peach brandy, cherry brandy, berry brandy, apricot brandy, prune brandy, plum brandy, pear brandy, pawpaw brandy, papaya brandy, pineapple brandy, cantaloup brandy, or apple brandy (hereafter in this section included in the term "brandy") for the fortification of wines as set forth in section 3032, Internal Revenue Code, on the premises where actually made.

Any such wines, may under such regulations as the Commissioner may prescribe, with the approval of the Secretary, be sold or removed tax free for the * * * production of dealcoholized wines containing less than one-half of 1 per centum of alcohol by volume.

SEC. 3033, I. R. C. WITHDRAWAL OF WINE SPIRITS—(a) *Regulations.* Under such regulations and official supervision, and upon the execution of such entries and the giving of such bonds, bills of lading, and other security as the Commissioner, with the approval of the Secretary, shall prescribe, any producer of pure sweet wines as defined by section 3036 (a) may withdraw wine spirits from any internal revenue bonded warehouse in original packages or from any registered distillery in any quantity not less than eighty wine gallons * * *

SEC. 3036, I. R. C. WINE SPIRITS AND PURE SWEET WINE—(a) *Definitions.* The wine spirits mentioned in section 3032 (a) is the product resulting from the distillation of fermented grape juice, to which water may have been added prior to, during, or after fermentation, for the sole purpose of facilitating the fermentation and economical distillation thereof, and shall be held to include the product from grapes or their residues commonly known as grape brandy, and shall include commercial grape brandy which may have been colored with burnt sugar or caramel; * * *

SEC. 3037, I. R. C. REMOVAL OF DOMESTIC WINES FREE OF TAX—(a) *Regulations.* Under such regulations and upon the execution of such notices, entries, bonds, and other security as the Commissioner, with the approval of the Secretary, may prescribe, domestic wines subject to the taxes imposed by section 3030 (a), may be removed from the winery where produced, free of tax, * * * for use as distilling material at any regularly registered distillery or industrial alcohol plant; *Provided, however,* That the distiller using any such wine as distilling material shall, subject to the provisions of section 2846, be held to pay the tax on the product of such wines as will include both the alcoholic strength therein produced by fermentation and that obtained from the brandy or wine spirits added to such wines at the time of fortification; *Provided further,* That suitable samples of brandy or fruit spirits may be withdrawn under rules and regulations to be prescribed by the Commissioner, subject to the approval of the Secretary, which samples shall be tax-free if for laboratory analysis and tax-paid if for any other use; *Provided*

further, That the Commissioner, under rules and regulations to be by him prescribed subject to the approval of the Secretary, shall remit or refund all fortification taxes assessed or paid upon the quantity of fortifying spirits contained in wines * * * which have become unfit for use as wine and are used as distilling material.

(b) *Transfer of Duties.* For transfer of powers and duties of Commissioner and his agents, see section 3170.

SEC. 3038, I. R. C. GRAPE AND LIKE WINES FOR INDUSTRIAL USE—(a) *Regulations.* Under regulations prescribed by the Commissioner, with the approval of the Secretary, it shall be lawful to produce grape wines, citrus-fruit wines, peach wines, cherry wines, berry wines, apricot wines, prune wines, plum wines, pear wines, pawpaw wines, papaya wines, pineapple wines, cantaloup wines, and apple wines on bonded winery premises by the usual method, and to transport and use the same, and like wines heretofore produced and now stored on bonded winery premises, as distilling material in any fruit-brandy distillery or industrial-alcohol plant.

(b) *Transfer of duties.* For transfer of powers and duties of Commissioner and his agents, see section 3170.

SEC. 3041, I. R. C. SPIRIT METERS, LOCKS, AND SEALS—(a) *Regulations.* The Commissioner, by regulations to be approved by the Secretary, may require the use at each fruit distillery of such spirit meters, and such locks and seals to be affixed to fermenters, tanks, or other vessels and to such pipe connections as may in his judgment be necessary or expedient.

(b) *Transfer of duties.* For transfer of powers and duties of Commissioner and his agents, see section 3170.

SEC. 3042, I. R. C. ASSIGNMENT OF STORE-KEEPER-GAUGERS TO FRUIT DISTILLERIES AND WINERIES—(a) *Power of Commissioner.* The Commissioner is authorized to assign to any fruit distillery and to each winery where wines are to be fortified such number of storekeeper-gaugers as may be necessary for the proper supervision of the manufacture of brandy or the making or fortifying of wines subject to tax imposed by this chapter.

(b) *Transfer of duties.* For transfer of powers and duties of Commissioner and his agents, see section 3170.

SEC. 3170, I. R. C. TRANSFER AND DELEGATION OF POWERS. The Secretary is authorized to confer and impose upon the Commissioner and any of his assistants, agents, or employees, and upon any other officer, employee, or agent of the Treasury Department, any of the rights, privileges, powers, duties, and protection conferred or imposed upon the Secretary, or any officer or employee of the Treasury Department, by any law now or hereafter in force relating to the taxation, exportation, transportation, manufacture, possession, or use of, or traffic in, distilled spirits, wine, fermented liquors, or denatured alcohol.

SEC. 3171, I. R. C. RECORDS, STATEMENTS, AND RETURNS—(a) *Requirements.* Every person liable to any tax imposed by this chapter, or for the collection thereof, shall keep such records, render under oath such statements, make such returns, and comply with such rules and regulations, as the Commissioner, with the approval of the Secretary, may from time to time prescribe.

(b) *Transfer of duties.* For transfer of powers and duties of Commissioner and his agents, see section 3170.

SEC. 3173, I. R. C. PENALTIES AND FORFEITURES—(a) *Removal of transportation of liquors or wines under improper brands.* Whenever any person ships, transports or removes any spirituous or fermented liquors or wines, under any other than the proper name or brand known to the trade as designating the kind and quality of the contents of the casks or packages containing the same, or causes such act to be done, he shall

forfeit said liquors or wines, and casks or packages, and be subject to pay a fine of \$500.

(b) *Other violations.* (1) Any person required to pay, or to collect, account for and pay over any tax on distilled spirits, wines, or fermented malt liquors, or required by law or regulations made under authority thereof to make a return or supply any information for the purposes of the computation, assessment or collection of any such tax, who fails to pay, collect, or truly account for and pay over any such tax, make any such return or supply any such information at the time or times required by law or regulation shall in addition to other penalties provided by law be subject to a penalty of not more than \$1,000.

(2) Any person who willfully refuses to pay, collect, or truly account for and pay over any such tax, make such return or supply such information at the time or times required by law or regulation, or who willfully attempts in any manner to evade such tax shall be guilty of a misdemeanor and in addition to other penalties provided by law shall be fined not more than \$10,000 or imprisoned for not more than one year, or both, together with the costs of prosecution.

(3) Any person who willfully refuses to pay, collect, or truly account for and pay over any such tax shall in addition to other penalties provided by law be liable to a penalty of the amount of the tax evaded, or not paid, collected, or accounted for and paid over, to be assessed and collected in the same manner as taxes are assessed and collected: *Provided, however,* That no penalty shall be assessed under this paragraph for any offense for which a penalty may be assessed under authority of section 3612, or of section 2801 (f) or 3043, or for any offense for which a penalty has been recovered under section 2806 (e).

(4) The term "person" as used in this subsection includes an officer or employee of a corporation or a member or employee of a partnership, who as such officer, employee, or member is under a duty to perform the act in respect of which the violation occurs.

SEC. 3175, I. R. C. *OTHER LAWS APPLICABLE.* All administrative, special, or stamp provisions of law, including the law relating to the assessment of taxes, so far as applicable, shall be extended to and made a part of this chapter.

SEC. 3176, I. R. C. *RULES AND REGULATIONS—(a) Power of Commissioner.* The Commissioner, with the approval of the Secretary, shall prescribe and publish all needful rules and regulations for the enforcement of this chapter.

(b) *Transfer of duties.* For transfer of powers and duties of Commissioner and his agents, see section 3170.

SEC. 3250, I. R. C. *TAX—(a) Wholesale dealers in liquors—(1) In general.* Wholesale dealers in liquors shall pay a special tax of \$110.

(4) *Distillers selling at wholesale.* No distiller who has given the required bond and who sells only distilled spirits of his own production at the place of manufacture, or at the place of storage in bond, in the original packages to which the tax-paid stamps are affixed, shall be required to pay the special tax of a wholesale dealer in liquors on account of such sales.

SEC. 3254, I. R. C. *DEFINITIONS—(a) Distiller.* For definition of distiller, see section 2809 (a).

(b) *Wholesale dealer in liquors.* Except as otherwise provided, every person who sells, or offers for sale, foreign or domestic distilled spirits, wines, or malt liquors in quantities of five wine-gallons or more to the same person at the same time, shall be regarded as a wholesale dealer in liquors: *Provided,* That

the Commissioner may, by regulations, with the approval of the Secretary, provide for the issuance of a stamp denoting payment of such special tax as a "wholesale dealer in wines" or a "wholesale dealer in wines and malt liquors" if, as the case may be, wines only, or wines and malt liquors only, are sold by a wholesale dealer in liquors.

(c) *Retail dealer in liquors.* Except as otherwise provided, every person who sells, or offers for sale, foreign or domestic distilled spirits, wines, or malt liquors in less quantities than five wine-gallons to the same person at the same time, shall be regarded as a retail dealer in liquors: *Provided,* That the Commissioner may, by regulations, with the approval of the Secretary, provide for the issuance of a stamp denoting payment of such special tax as a "Retail dealer in wines" or a "Retail dealer in wines and malt liquors" if, as the case may be, wines only, or wines and malt liquors only, are sold by a retail dealer in liquors.

(g) *Rectifier.* Every person who rectifies, purifies, or refines distilled spirits or wines by any process other than by original and continuous distillation from mash, wort, or wash, through continuous closed vessels and pipes, until the manufacture thereof is complete, and every wholesale or retail liquor dealer who has in his possession any still or leach tub, or who keeps any other apparatus for the purpose of refining in any manner distilled spirits, and every person who, without rectifying, purifying, or refining distilled spirits, shall, by mixing such spirits, wine, or other liquor with any material, manufacture any spurious, imitation, or compound liquors for sale, under the name of whiskey, brandy, gin, rum, wine, spirits, cordials, or wine bitters, or any other name, shall be regarded as a rectifier, and as being engaged in the business of rectifying: *Provided,* That nothing in this subsection or section 3250 (f) (1) shall be held to prohibit the purifying or refining of spirits in the course of original and continuous distillation through any material which will not remain incorporated with such spirits when the manufacture thereof is complete.

(h) *Manufacturer of stills.* Any person who manufactures any still or worm to be used in distilling shall be deemed a manufacturer of stills.

SEC. 3270, I. R. C. *REGISTRATION—(a) Requirements.* Every person engaged in any trade or business on which a special tax is imposed by law shall register with the collector of the district his name or style, place of residence, trade or business, and the place where such trade or business is to be carried on. In case of a firm or company, the names of the several persons constituting the same, and the places of residence, shall be so registered.

SEC. 3271, I. R. C. *PAYMENT OF TAX—(a) Condition precedent to doing business.* No person shall be engaged in or carry on any trade or business mentioned in this chapter until he has paid a special tax therefor in the manner provided in this chapter.

(b) *Due date.* All special taxes shall become due on the 1st day of July in each year, or on commencing any trade or business on which such tax is imposed. In the former case the tax shall be reckoned for one year, and in the latter case it shall be reckoned proportionately, from the 1st day of the month in which the liability to a special tax commenced, to and including the 30th day of June following.

(c) *How paid—(1) Stamp.* All special taxes imposed by law, including the tax on stills or worms, shall be paid by stamps denoting the tax.

(2) *Assessment.* For authority of Commissioner to make assessments where the special taxes have not been duly paid by

stamp, at the time and in the manner provided by law, see section 3640.

SEC. 3272, I. R. C. *RETURNS—(a) Time for filing.* It shall be the duty of the special taxpayers to render their returns with remittances to the collector at such times within the calendar month in which the special tax liability commenced as shall enable him to receive such returns, duly signed and verified, together with the remittances, not later than the last day of the month, except in cases of sickness or absence, as provided for in section 3634.

(b) *Transfer of duties.* For transfer of powers and duties of Commissioner and his agents in case of narcotics and liquor, see subchapter D of chapter 23 and section 3170.

(c) *Penalties.* For penalties imposed for failure to file returns or for making false or fraudulent returns, see section 3612.

SEC. 3300, I. R. C. *ESTABLISHMENT AND ALTERATION—(a) Authorization.* The Commissioner, with the approval of the Secretary, may establish and, from time to time, alter or change the form, style, character, material, and device of any stamp, mark, or label used under any provision of the laws relating to internal revenue.

(b) *Application of penalty and forfeiture provisions.* All pains, penalties, fines, and forfeitures provided by law relating to internal revenue stamps shall apply to and have full force and effect in relation to any and all stamps so established by the Commissioner.

SEC. 3301, I. R. C. *ATTACHMENT AND CANCELLATION—(a) General authority to prescribe methods and instruments.* The stamps referred to in the preceding section shall be attached, protected, removed, canceled, obliterated, and destroyed, in such manner and by such instruments or other means as the Commissioner, with the approval of the Secretary may prescribe; and he is authorized and empowered to make, with the approval of the Secretary, all needful regulations relating thereto.

SEC. 3656, I. R. C. *PAYMENT BY CHECK AND MONEY ORDERS—(a) Certified, cashiers', and treasurers' checks and money orders—(1) Authority to receive.* It shall be lawful for collectors to receive for internal revenue taxes or in payment of stamps to be used in payment of internal revenue taxes certified, cashiers', and treasurers' checks drawn on National and State banks and trust companies, and United States postal, bank, express, and telegraph money orders, during such time and under such regulations as the Commissioner, with the approval of the Secretary, may prescribe.

(2) *Discharge of liability—(A) Check duly paid.* No person who may be indebted to the United States on account of internal revenue taxes or stamps used or to be used in payment of internal revenue taxes who shall have tendered a certified, cashier's, or treasurer's check or money order as provisional payment therefor, in accordance with the terms of this subsection, shall be released from the obligation to make ultimate payment thereof until such certified, cashier's or treasurer's check or money order so received has been duly paid.

(B) *Check unpaid.* If any such check or money order so received is not duly paid, the United States shall, in addition to its right to exact payment from the party originally indebted therefor, have a lien for the amount of such check upon all the assets of the bank on which drawn or for the amount of such money order upon all the assets of the issuer thereof; and such amount shall be paid out of its assets in preference to any or all other claims whatsoever against said bank or issuer except the necessary costs and expenses of administration and the reimbursement of the United States for the amount expended in the redemption of the circulating notes of such bank.

(b) *Other checks*—(1) *Authority to receive*. Collectors may receive checks in addition to those specified in subsection (a) in payment of taxes other than those payable by stamp during such time and under such rules and regulations as the Commissioner, with the approval of the Secretary, shall prescribe.

(2) *Ultimate Liability*. If a check so received is not paid by the bank on which it is drawn the person by whom such check has been tendered shall remain liable for the payment of the tax and for all legal penalties and additions to the same extent as if such check had not been tendered.

SEC. 3791, I. R. C. RULES AND REGULATIONS—(a) *Authorization*—(1) *In general*. Except as provided in section 1928 (a), Cotton Futures, section 2599, Marihuana, section 2559, Narcotics, section 3176, Liquor, and section 1805, Silver, the Commissioner, with the approval of the Secretary, shall prescribe and publish all needful rules and regulations for the enforcement of this title.

(2) *In case of change in law*. The Commissioner may make all such regulations, not otherwise provided for, as may have become necessary by reason of any alteration of law in relation to internal revenue.

(b) *Retrospectivity of regulations or rulings*. The Secretary, or the Commissioner with the approval of the Secretary, may prescribe the extent, if any, to which any ruling, regulation, or Treasury Decision, relating to the internal revenue laws, shall be applied without retroactive effect.

SEC. 3809, I. R. C. VERIFICATION OF RETURNS; PENALTIES OF PERJURY—(a) *Penalties*. Any person who willfully makes and subscribes any return, statement, or other document, which contains or is verified by a written declaration that it is made under the penalties of perjury, and which he does not believe to be true and correct as to every material matter, shall be guilty of a felony, and, upon conviction thereof, shall be fined not more than \$2,000 or imprisoned not more than five years, or both.

(b) *Signature presumed correct*. The fact that an individual's name is signed to a return, statement, or other document filed shall be prima facie evidence for all purposes that the return, statement, or other document was actually signed by him.

(c) *Verification in lieu of oath*. The Commissioner, under regulations prescribed by him with the approval of the Secretary, may require that any return, statement, or other document required to be filed under any provision of the internal revenue laws shall contain or be verified by a written declaration that it is made under the penalties of perjury, and such declaration shall be in lieu of any oath otherwise required.

SEC. 4041, I. R. C. ISSUE OF INSTRUCTIONS, REGULATIONS, AND FORMS—(a) *In general*. The Secretary shall prescribe forms of entries, oaths, bonds, and other papers, and rules and regulations, not inconsistent with law, to be used under and in the execution and enforcement of the various provisions of the internal revenue laws; and he shall give such directions to collectors and prescribe such rules and forms to be observed by them as may be necessary for the proper execution of the law.

(b) *Receipt of United States securities*. For authority of the Secretary to issue instructions and regulations governing the receipt by collectors and others of United States securities, see R. S. 251 (U. S. C., title 31, sec. 427).

DISTILLER TO PAY TAX ON RENDERING MONTHLY RETURN, OR MAY REMOVE BRANDY TO BONDED WAREHOUSE

SEC. 2, Act of March 3, 1877 (U. S. C., title 26, sec. 1251). That every distiller of brandy from grapes,¹ upon rendering his monthly re-

turn of materials used and spirits produced by him, shall immediately pay the tax upon such spirits, or may, after they have been properly gauged, marked, and branded, under regulations to be prescribed by the Commissioner of Internal Revenue and approved by the Secretary of the Treasury, . . . cause them to be removed in bond from the place of manufacture to a special bonded warehouse, under such regulations, and after making such entries, and executing and filing with the collector of the district in which such spirits were manufactured such bonds and bills of lading, and giving such other additional security as may be prescribed by the Commissioner of Internal Revenue and approved by the Secretary of the Treasury.

SECRETARY TO PRESCRIBE REGULATIONS FOR GOVERNMENT OF DEPARTMENT

SEC. 161, R. S. (U. S. C., title 5, sec. 22). The head of each department is authorized to prescribe regulations, not inconsistent with law, for the government of his department, the conduct of its officers and clerks, the distribution and performance of its business, and the custody, use, and preservation of the records, papers, and property appertaining to it.

SUBPART A—SCOPE OF REGULATIONS

§ 184.1 *Production and removal of brandy*. These regulations, "Regulations 5, Production of Brandy" (26 CFR, Part 184), contain the procedure and substantive requirements relative to the production of brandy and the removal thereof from the distillery under the exemptions from law provided herein pursuant to section 2825, I. R. C. The regulations cover the location, construction, equipment, action by the district supervisor and Commissioner; control and supervision of the distillery; production and removal of brandy; and concern the sale, shipment, losses, records and reports, of brandy.

SUBPART B—DEFINITIONS

§ 184.5 *Meaning of terms*. As used in this part, unless the context otherwise requires, terms shall have the meanings ascribed in this subpart.

§ 184.6 *Brandy or brandies*. "Brandy" or "brandies" shall mean distilled spirits produced in accordance with this part from the materials specified in section 2825, I. R. C., and from the products or the residues of such materials, and shall include wine spirits, fortifying spirits, spirits—fruit, and neutral spirits—fruit, except where otherwise indicated but shall not include distillates containing one-half of 1 percent or more of aldehydes or 1 percent or more of fusel oil.

§ 184.7 *Collector*. "Collector" shall mean collector of internal revenue.

§ 184.8 *Commissioner*. "Commissioner" shall mean the Commissioner of Internal Revenue.

§ 184.9 *Distiller*. "Distiller" shall mean the proprietor of a distillery.

§ 184.10 *Distillery*. "Distillery" shall mean that part of the distillery premises described in the distiller's notice, Form 27½, where the distilled spirits are produced.

§ 184.11 *Distillery premises*. "Distillery premises" shall mean the lot or tract of land described in the distiller's notice, Form 27½, and the distillery and other

buildings and fixtures situated on and constituting a part of such lot or tract of land.

§ 184.12 *District supervisor or supervisor*. "District supervisor" or "supervisor" shall mean the person having charge of a supervisory district of the Alcohol Tax Unit of the Bureau of Internal Revenue.

§ 184.13 *Fruit distillery*. "Fruit distillery" shall mean a distillery established or operated under the provisions of this part.

§ 184.14 *Gallon*. "Gallon" or "wine gallon" shall mean a United States gallon of liquid measure equivalent to the volume of 231 cubic inches.

§ 184.15 *Heads and tails*. "Heads and tails" shall mean distillates containing one-half of 1 percent or more of aldehydes or 1 percent or more of fusel oil.

§ 184.16 *Inclusive language*. Words in the plural form shall include the singular, and vice versa, and words in the masculine gender shall include females, associations, copartnerships, and corporations.

§ 184.17 *I. R. C.* "I. R. C." shall mean the Internal Revenue Code.

§ 184.18 *Laboratory analysis*. "Laboratory analysis" shall mean the determination of the composition of brandy by chemical, physical, or organoleptic examination.

§ 184.19 *Person, proprietor or distiller*. "Person," "proprietor," or "distiller" shall include natural persons, associations, copartnerships, and corporations.

§ 184.20 *Prior lessee*. "Prior lessee" shall mean a lessee whose lease has not terminated.

§ 184.21 *Proof*. "Proof" shall mean the ethyl alcohol content of a liquid at 60 degrees Fahrenheit, stated as twice the percent of ethyl alcohol by volume.

§ 184.22 *Proof of distillation*. "Proof of distillation" shall mean the composite proof of the brandy in the receiving tanks prior to reduction, or, if the brandy is reduced before reaching the receiving tanks, the proof prior to such reduction, unless the brandy is subsequently redistilled at a higher proof than the proof prior to reduction.

§ 184.23 *Proof gallon*. "Proof gallon" shall mean the alcoholic equivalent of a United States gallon at 60 degrees Fahrenheit, containing 50 percent of ethyl alcohol by volume.

§ 184.24 *Proof spirits*. "Proof spirits" shall mean that alcoholic liquor which contains 50 percent of ethyl alcohol by volume at 60 degrees Fahrenheit and which has a specific gravity of 0.93418 in air at 60 degrees Fahrenheit referred to water at 60 degrees Fahrenheit as unity.

§ 184.25 *Registered distillery*. "Registered distillery" shall mean a distillery established or operated under the regulations governing the production of distilled spirits other than alcohol, and brandy produced pursuant to the provisions of this part.

¹ Scope of act extended to other fruits by Act of October 18, 1888.

§ 184.26 *Secretary.* "Secretary" shall mean the Secretary of the Treasury.

§ 184.27 *Tank car.* "Tank car" shall mean a railroad tank car conforming to the requirements of this part.

SUBPART C—EXEMPTION OF FRUIT DISTILLERS FROM CERTAIN PROVISIONS OF LAW

EXEMPTIONS

§ 184.35 *General.* Section 2825, I. R. C., authorizes the Commissioner, with the approval of the Secretary, to exempt distillers of brandy made exclusively from apples, peaches, grapes, oranges, pears, pineapples, apricots, berries, plums, pawpaws, papayas, cantaloups, persimmons, prunes, figs, cherries, dates, or citrus fruits (except lemons and limes), or from grape wine, citrus-fruit wine, peach wine, cherry wine, berry wine, apricot wine, plum wine, plum wine, pear wine, pawpaw wine, papaya wine, pineapple wine, cantaloupe wine, or apple wine, in the manufacture of which artificial sweetening may have been used, or from the fruit pomace residuum of such grape wine, or from grape cheese where not more than 500 gallons of a sugar solution made from cane, beet, starch, or corn sugar, 95 per centum pure, and having a saccharine strength of not to exceed 10 per centum, is added to not less than 500 gallons (10 barrels) of such cheese, from any provision of the internal revenue laws relating to the manufacture of spirits, except as to the tax thereon, when in his judgment it may seem expedient to do so. Pursuant to this authority, distillers producing brandy from such materials are hereby exempted from the following provisions of law to the extent indicated in this subpart.

(Sec. 2825, I. R. C.)

§ 184.36 *Section 2812, I. R. C.* Fruit distillers are exempted from so much of section 2812, I. R. C., as requires the distiller to state in his notice the time of fermenting each tub.

(Sec. 2825, I. R. C.)

§ 184.37 *Section 2817, I. R. C.* Fruit distillers are exempted from all the provisions of section 2817, I. R. C.

(Sec. 2825, I. R. C.)

§ 184.38 *Section 2819, I. R. C.* Fruit distillers are exempted from so much of section 2819, I. R. C., as provides that no person shall use any still, boiler, or other vessel for the purpose of distilling in any yard or inclosure connected with any dwelling house: *Provided*, That where the distillery and dwelling adjoin, the two must be separated by an unbroken partition of substantial construction; and from so much of said section as prohibits the carrying on of any other business on the distillery premises, to the extent necessary to permit the manufacture of dealcoholized wines on such premises as provided in this part.

(Sec. 2825, I. R. C.)

§ 184.39 *Section 2820, I. R. C.* Fruit distillers are exempted from all the provisions of section 2820, I. R. C.: *Provided*, That locked receiving tanks are

installed by the distiller and all brandy produced is deposited therein, in accordance with the provisions of this part.

(Sec. 2825, I. R. C.)

§ 184.40 *Section 2822, I. R. C.* Fruit distillers, as to distilleries heretofore established, are exempted from the provisions of section 2822, I. R. C., which require that there shall be a clear space of not less than 1 foot around every wooden still and not less than 2 feet around every doubler and worm tank, and that the doubler and worm tanks shall be elevated not less than 1 foot from the floor.

(Sec. 2825, I. R. C.)

§ 184.41 *Section 2826, I. R. C.* Fruit distillers are exempted from all the provisions of section 2826, I. R. C., to the extent that a fence or wall over 5 feet in height may be erected or maintained around the distillery premises: *Provided*, That a suitable number of gates or doors is installed, and, if such gates or doors are locked, the district supervisor is furnished as many keys to the gates or doors of fences or walls as may be required from time to time, and the distillery is kept accessible to Government officers: *And provided further*, That if such wall or fence be solid and over 5 feet in height, specific approval therefor is obtained from the district supervisor.

(Sec. 2825, I. R. C.)

§ 184.42 *Section 2836, I. R. C.* Fruit distillers are exempted from all the provisions of section 2836, I. R. C., where the district supervisor finds that an emergency exists requiring operation of the distillery between 11:00 p. m. Saturday and 1:00 a. m. Monday for the purpose of preventing the loss, and effecting the salvaging, of crop or other materials.

(Sec. 2825, I. R. C.)

§ 184.43 *Section 2838, I. R. C.* Fruit distillers are exempted from all provisions of section 2838, I. R. C., except as to the removal of spirits and the penalty therefor: *Provided*, That such exemption shall not apply when an officer is assigned to supervise operations.

(Sec. 2825, I. R. C.)

§ 184.44 *Section 2840, I. R. C.* Fruit distillers are exempted from all the provisions of section 2840, I. R. C.

(Sec. 2825, I. R. C.)

§ 184.45 *Section 2844, I. R. C.* Fruit distillers are exempted from all the provisions of section 2844, I. R. C.: *Provided*, That the distiller renders a true and correct report of the operations and transactions at the distillery on Form 15, in duplicate, to the district supervisor immediately after the close of the month and the gauging of all brandy produced during the month, but not later than the 10th day of the succeeding month, in accordance with the requirements of the regulations in this part.

(Sec. 2825, I. R. C.)

§ 184.46 *Section 2849, I. R. C.* Fruit distillers are exempted from all the provisions of section 2849, I. R. C.

(Sec. 2825, I. R. C.)

§ 184.47 *Section 2850, I. R. C.* Fruit distillers are exempted from all the provisions of section 2850, I. R. C.: *Provided*, That the distiller shall file notice when desiring to suspend operations and another notice before resuming operations, in accordance with the requirements of this part, and shall not carry on the business of a distiller during such period of suspension.

(Sec. 2825, I. R. C.)

§ 184.48 *Section 2851, I. R. C.* Fruit distillers are exempted from so much of section 2851, I. R. C., as requires the placing of close-fitting covers upon fermenting tubs for the purpose of reducing the producing capacity of the distillery.

(Sec. 2825, I. R. C.)

§ 184.49 *Section 2872, I. R. C.* Fruit distillers are exempted from so much of section 2872, I. R. C., as provides that no door of the internal revenue bonded warehouse shall open into the distillery.

(Sec. 2825, I. R. C.)

§ 184.50 *Section 2877, I. R. C.* Fruit distillers are exempted from all provisions of section 2877, I. R. C.

(Sec. 2825, I. R. C.)

§ 184.51 *Sections 2878 (a) and 2883, I. R. C.* Fruit distillers are exempted from the provisions of sections 2878 (a) and 2883, I. R. C., to the extent that brandy of any desired proof may be drawn from receiving tanks and (a) removed from the distillery in packages or by pipeline or in tank cars in the manner prescribed in this part, or (b) stored in the brandy deposit room of the distillery temporarily as provided in this part.

(Sec. 2825, I. R. C.)

§ 184.52 *Exemptions subject to change.* The exemptions from the above-mentioned provisions of law shall be subject to such further changes by regulations as may be deemed necessary to insure lawful manufacture and disposition of all brandy produced.

(Sec. 2825, I. R. C.)

SUBPART D—LOCATION

§ 184.60 *Restrictions.* Fruit distilleries may not be located in a dwelling house, or on board of any vessel or boat, or on any premises where beer, lager beer, ale, porter, or other fermented liquors, vinegar, or ether is manufactured or produced, or where sugars or sirups are refined, or where liquors of any description are retailed, or within 600 feet in a direct line of a vinegar factory using the vaporizing process, or, except as provided in § 184.61, within 600 feet in a direct line of any premises authorized to be used for rectifying, or where any other business is carried on: *Provided*, That saleratus, and dealcoholized wines containing less than one-half of 1 percent of alcohol by volume, may be manufactured on fruit distillery premises.

(Sec. 2819, I. R. C.)

§ 184.61 *Within 600 feet of rectifying plant.* No fruit distiller shall carry on the business of distilling brandy at a

distance of less than 600 feet in a direct line from a rectifying plant, except when he has been so authorized by the district supervisor. The district supervisor may grant such authority when he is of the opinion that the revenue will not be endangered thereby.

(Secs. 2819, 3170, I. R. C.)

§ 184.62 Special application. A person desiring to operate a fruit distillery within 600 feet of a rectifying plant shall file a special application, in triplicate, for such privilege with the district supervisor. The application shall state the location of the fruit distillery and the rectifying plant, the distance between the premises, the name of the proprietor of the rectifying plant, a description of any connecting pipelines, the reason for locating the distillery within 600 feet of the rectifying plant and any additional information which the district supervisor may require. The district supervisor will take action on such application in accordance with the procedure prescribed in § 184.325.

(Secs. 2819, 3170, I. R. C.)

§ 184.63 Changes requiring approval. Where there is to be a change in the distance between a fruit distillery and a rectifying plant located within 600 feet of each other, as a result of the extension or curtailment, or other change of either premises, a new special application, in triplicate, must be filed with the district supervisor by the proprietor of the premises which is to be extended or curtailed. Where a change occurs in the proprietorship of a fruit distillery or rectifying plant located within 600 feet of each other, the new proprietor shall file with the district supervisor a new special application, in triplicate. Unless the fruit distillery premises are extended or curtailed as the result of such change, the change may be reflected in the next amended or annual notice, Form 27½, and plat, filed by the distiller. Such new special application shall be considered and disposed of in accordance with the procedure prescribed in § 184.325.

(Secs. 2819, 3170, I. R. C.)

SUBPART E—CONSTRUCTION

§ 184.70 Distillery buildings. The distillery buildings must be securely constructed of brick, stone, wood, concrete, or other substantial material and must be completely separated from contiguous buildings not on the distillery premises by unbroken partitions of substantial construction: *Provided*, That where the furnace or boiler used for generating steam or heating water for use in the distillery is located off the distillery premises, or where steam is to be conveyed from a boiler in the distillery to other premises for manufacturing or other purposes, or where distilling material or fuel is to be received by chute or pipeline, or where distilled spirits, distilled water, etc., is to be removed from the distillery by pipeline, in accordance with the law and this part, necessary openings for the passage of the required pipelines or chutes may be permitted in the walls or partitions separating the distillery from the adjoining premises: *And provided further*, That necessary

openings for the passage of approved water, electric, sewer, or similar lines may likewise be permitted in such walls or partitions. With the approval of the district supervisor, doors may be placed in the partition separating the fruit distillery from a contiguous bonded winery or bonded field warehouse, and provision made for the transfer of distilling material between such premises in containers or by fixed pipeline or by hose. Where an internal revenue bonded warehouse is operated by the distiller on the distillery premises and adjoins the distilling building or room, a door may be permitted in the wall separating the warehouse and such building or room. The foundations, floors, walls, and roofs, and the doors, windows, and other openings of distillery buildings shall be constructed, and such doors, windows, and other openings shall be protected and secured, as provided in this subpart.

§ 184.71 Foundations. The foundations of distillery buildings shall be constructed of stone, brick, concrete, or other equally substantial material, extending into the ground.

§ 184.72 Floors. The distillery buildings must have suitable floors constructed of wood, concrete, brick, or other equally substantial material. If a receiving room or brandy deposit room is provided, and the floors are constructed of wood, the boards must be fitted together by tongue and groove, or laid double with the second layer crossing the first at an angle of more than 20 degrees, and securely nailed and fastened.

§ 184.73 Walls. The outside walls of distillery buildings must be securely and substantially constructed. If wood, corrugated iron, or tin is used, the same must be applied over solid sheathing for the first 12 feet of height and over solid sheathing or sheathing spaced not greater than 12 inches from board to board for the remaining height. Where substantial sheet metal is used and the sheets are welded together in such manner as to constitute a solid wall, sheathing may be applied in any manner desired. The ceiling and walls inside of the receiving room and brandy deposit room must be cased with matched tongue and groove boards, unless the use of other material affording equal protection from access without detection is approved by the Commissioner.

§ 184.74 Roofs. The roofs of distillery buildings must be securely and substantially constructed. Where corrugated iron or tin is used, the same must be applied over sheathing spaced not greater than 12 inches from board to board. Where substantial sheet metal is used and the sheets are welded together in such manner as to constitute a solid roof, sheathing may be applied in any manner desired.

§ 184.75 Doors. The outside doors of the distillery buildings must be securely and substantially constructed and equipped, so that they may be securely locked. In addition, the doors of receiving rooms, brandy deposit rooms, and other rooms required to be locked

by § 184.812 must comply with the following requirements: The outside doors, and those on which Government locks are required, must be securely constructed of heavy timber or iron, or other equally substantial material. The hinges must be secured by roundheaded or carriage bolts, nutted, and riveted or battered on the inside. Hinges that cannot be thus secured must be inaccessible from the outside, and so attached that they cannot be removed when the doors are closed. The outside doors, and those on which Government locks are required, must be equipped with hasp and staple securely fastened on the inside, so that they may be securely locked. The doors secured from the inside must be provided with a cross bar in the middle of the door, and strong and suitable attachments for the reception of locks. Where there are double doors, one of them, at least, must be provided with substantial bolts at both the top and the bottom. These bolts must be so arranged as to plunge into substantial fastenings or holes in the middle of the upper and lower ends of the frame when the door is closed. Folding doors of wood or metal, vertical or horizontal sliding doors of wood or metal, and metal doors of the roller blind type, must be provided with substantial cross bars, or bolts that plunge into the upper and lower ends, of the sides of the door frame, so placed as to make the door rigid and secure, unless the doors operate in grooves or tracks that make them secure.

§ 184.76 Windows in receiving and brandy deposit rooms. The windows in the receiving room and brandy deposit room must be constructed and secured as outlined in §§ 184.77 to 184.84.

§ 184.77 Windows within 12 feet of ground, etc. All windows located within 12 feet of the ground, or within 12 feet (a) above a fire escape (except as provided in § 184.78), (b) above a roof, setback, or balcony within 12 feet of the ground, (c) above a roof or balcony of an adjoining building, or (d) of a roof, window, or other opening of an opposite building, must conform to the following requirements:

(1) *Wood sash.* Windows consisting of plain or wire glass panes set in wood sash must be protected by iron bars and solid shutters;

(2) *Steel sash.* Windows consisting of wire glass panes not larger than 6 by 10 inches, set in metal sash must be protected by iron bars;

(3) *Detention type.* Windows may be of the detention type, consisting of solid steel frame, sash, and grille (over the ventilating portion), combined in one unit and erected in one piece, equipped with wire glass panes not larger than 6 by 10 inches.

(Sec. 2873, I. R. C.)

§ 184.78 Opening onto fire escape. Windows opening onto a fire escape shall be protected by solid metal shutters, securely hinged and equipped with facilities for locking on the inside with a Government lock. Iron bars will not be required on such windows.

(Sec. 2873, I. R. C.)

§ 184.79 *Extension of requirements.* The Commissioner or district supervisor may require any other windows in the receiving and brandy deposit rooms to be protected by iron bars or shutters, or both, when deemed necessary to safeguard the spirits.

(Sec. 2873, I. R. C.)

§ 184.80 *Windows more than 12 feet from ground.* All windows more than 12 feet from the ground and not subject to the provisions of §§ 184.77 and 184.78 must be securely constructed and so arranged and equipped that they may be securely fastened on the inside.

(Sec. 2873, I. R. C.)

§ 184.81 *Set in casement.* All windows must be securely set into the window casement in such a manner as to prevent ready removal.

(Sec. 2873, I. R. C.)

§ 184.82 *Sash locks.* All windows sashes must be provided with sash locks or other suitable fasteners.

(Sec. 2873, I. R. C.)

§ 184.83 *Shutters.* The shutters must be solid and substantially constructed of metal or wood, and must be fastened inside of the room or building and so secured that they cannot be opened from the outside.

(Sec. 2873, I. R. C.)

§ 184.84 *Iron bars.* The iron bars must be not less than three-fourths of an inch in diameter, placed perpendicularly in the windows or walls, not more than 5 inches apart from center to center, and reinforced by iron cross bars not more than 36 inches apart. All bars and cross bars must be securely fastened to the window frames or embedded in the walls in such a manner as to prevent their removal and to afford proper security.

(Sec. 2873, I. R. C.)

§ 184.85 *Other windows.* Other windows of distillery buildings must be securely constructed and so arranged and equipped that they may be securely locked and fastened on the inside.

§ 184.86 *Skylights, monitors, penthouses, etc.* Skylights, monitors, penthouses, and similar openings will be regarded as windows and treated as such, except that shutters will not be required.

§ 184.87 *Ventilators.* Small openings in outside walls of distillery buildings, and in the ground floors and the roofs thereof, for ventilation or heating purposes, will be permitted, provided they are protected by substantial metal gratings, not lighter than No. 6 gauge and having openings not larger than one-half inch, securely attached to or embedded in the floor, wall, or roof. Where such openings in the walls, floors, and roofs of receiving and brandy deposit rooms are larger than 6 by 6 inches, they shall be further protected by iron bars. Such openings will not be permitted in walls or floors which separate the distillery from contiguous premises.

§ 184.88 *Drains.* Openings in floors (except floors separating the distillery from other premises) will be permitted

for drainage or sewage, provided they are permanently connected to the sewer system and protected in the same manner as ventilators.

§ 184.89 *Receiving room.* The proprietor may provide a receiving room in which to locate the receiving tanks. If such a room is provided, it shall be constructed in accordance with the applicable provision of §§ 184.70 to 184.88. No doors, window, or other opening leading from the receiving room into any other building or room, except the distilling building or room, will be permitted: *Provided*, That where the receiving room and brandy deposit room adjoin each other there may be a communicating door between them. All doors of the receiving room shall be locked on the inside with Government locks, except the entrance door and the communicating door, if any, between the receiving room and the brandy deposit room. The entrance door shall be locked on the outside of the receiving room with a Government seal lock and the communicating door between the receiving room and the brandy deposit room shall be locked on the brandy deposit room side. The receiving room must be well lighted, and of sufficient size and so equipped as to permit prompt and convenient conduct of operations required therein. A sign must be placed over the entrance door bearing the words "Receiving Room."

§ 184.90 *Brandy deposit room.* Unless all brandy is removed from the distillery in accordance with §§ 184.535 to 184.540, during the regular working hours of the same day on which it is drawn from the receiving tanks, there must be provided a room (or building) to be known as the brandy deposit room (or building) for the temporary storage of brandy pending removal thereof from the distillery premises. The brandy deposit room shall be constructed in accordance with the applicable provisions of §§ 184.70 to 184.88. No door, window, or other opening leading from the brandy deposit room into any other building or room, except the distilling building or room, will be permitted: *Provided*, That where the brandy deposit room and the receiving room adjoin each other there may, as provided in § 184.89, be a communicating door between them. All doors of the brandy deposit room shall be locked on the inside with Government locks, except the entrance door, which shall be locked on the outside of the room with a Government seal lock. The brandy deposit room must be well lighted and of sufficient size and so equipped as to permit of prompt and convenient conduct of operations required therein. A sign must be placed over the entrance of the room bearing the words "Brandy Deposit Room."

§ 184.91 *Filled package storeroom.* Where packages are filled from tanks in the distillery and it is desired to store such filled packages temporarily pending removal from the distillery, a separate compartment or room must be provided within the brandy deposit room for the storage thereof. The construction of such filled package storeroom must conform to the applicable provisions of §§ 184.70 to 184.88. All doors of

this compartment or room shall be equipped for locking on the inside with Government locks, except the entrance door which shall be equipped for locking on the outside. The entrance door of the filled package storeroom shall open into the other part of the brandy deposit room.

§ 184.92 *Fermenting room or building.* Where distilling material is produced on the distillery premises, a room or building must be provided in which shall be located the fermenting tanks, distilling material storage tanks, and distilling material measuring tanks: *Provided*, That where closed tanks are used they need not be located in a room or building. If a fermenting room is provided, it may be located in the distilling building and have direct communication with other portions of such building. Where all distilling material used is produced on other premises, a fermenting room or building need not be provided. The distilling material measuring tank shall in such case be located in the distillery, but not necessarily in a separate room: *Provided*, That where all distilling material used is received from a bonded winery operated by the distiller on contiguous premises, the distilling material measuring tank may be located on the winery premises. Where the distilling material measuring tank is located on a contiguous winery premises and the transfer of distilling material is not made by hose as authorized by § 184.70, a fixed pipe line must be installed for conveying the distilling material from the measuring tank to the distillery, where it shall be conveyed direct to the chargers of the stills or to sumps for immediate transfer to the chargers. If carbon dioxide gas is recovered, the necessary purifiers, scrubbers, and wash-water receiving tanks should be located in the fermenting room or building or in an adjoining room or building.

§ 184.93 *Empty container storeroom.* If empty packages are to be stored on the distillery premises, a separate room or building must be provided for such purpose. Such room or building shall not have any means of interior communication with any other room or building used in connection with the production or storage of brandy. This room or building may be used for general cooperative purposes.

§ 184.94 *Government office.* The proprietor shall provide and maintain on the distillery premises for the exclusive use of Government officers a securely constructed, well-lighted, heated, and ventilated office of suitable dimensions: *Provided*, That where the proprietor operates an internal revenue bonded warehouse on or contiguous to the distillery premises, or a bonded winery contiguous to such premises, and a Government office conforming to the requirements specified in this section is provided on the warehouse or winery premises, and such office is so located as to be suitable for the use of Government officers assigned to the distillery, a separate Government office need not be provided on the distillery premises. The Government office shall be equipped with toilet and lavatory facilities, unless such fa-

ilities, suitably located, are provided elsewhere on the premises, and with a suitable number of desks, chairs, file cases, and such other furniture as may be necessary for the keeping of Government records and the preparation of reports. Where distilling materials, etc., are tested by Government officers, the Government office shall also be provided with running water, and such tables and shelves as may be required, unless suitable laboratory facilities are available to Government officers elsewhere on the premises. The door of the Government office shall be equipped with a cylinder type lock, and a sufficient number of keys therefor shall be furnished the district supervisor for the use of Government officers. Where deemed necessary to afford adequate security to Government property, the district supervisor may require the windows of the Government office to be protected by shutters or iron bars, and the door to be so equipped that it may be securely fastened with a Government lock. Where brandy is drawn into packages from receiving or brandy storage tanks the distiller must provide beside the scales on which the packages are weighed a desk or table and chair for the use of the storekeeper-gauger in preparing his reports of gauge.

§ 184.95 *Government cabinet.* There shall be provided in the Government office a metal cabinet of adequate strength and size, suitably equipped for locking with a Government seal lock, for use in safeguarding Government locks, keys, seals, and other Government property, and stamps in the custody of Government officers. Each such cabinet shall be subject to approval by the district supervisor.

SUBPART F—SIGN

§ 184.105 *Posting of sign.* The proprietor shall place and keep conspicuously on the outside and at the front of the distillery where it can be plainly seen, a sign exhibiting in plain and legible letters, painted in oil colors or gilded, not less than 3 inches in height and of a proper and proportionate width, the name of the distiller and the words "Fruit Distillery," followed by the registered number of the distillery.

(Sec. 2831, I. R. C.)

SUBPART G—FENCES OR WALLS AND GATES

§ 184.110 *Construction.* The distiller may erect around the distillery premises a fence or wall, but a suitable number of gates or doors therein must be provided; and if such fence or wall is to be solid and over 5 feet in height, specific approval for the erection or maintenance thereof must be obtained from the district supervisor.

(Secs. 2825, 2826, 3170, I. R. C.)

§ 184.111 *Special application.* Where the distiller desires to construct or maintain a fence or wall of a greater height than 5 feet around the distillery, he shall file with the district supervisor a special application therefor, in triplicate, giving a complete description of the fence or wall, including information as to materials, construction, height, and number of gates, and stating the reasons for the

construction or maintenance of such fence or wall. The district supervisor will take action on such special application in accordance with the procedure prescribed in § 184.326.

(Secs. 2825, 2826, 3170, I. R. C.)

§ 184.112 *Keys to gates.* The distiller shall furnish the district supervisor as many keys to the gates or doors of the fence or wall around the distillery as may be required from time to time, in order to render the distillery readily accessible to Government officers.

(Secs. 2825, 2826, 3170, I. R. C.)

SUBPART H—EQUIPMENT

§ 184.120 *Scales for packages.* Where brandy or heads and tails are drawn into packages at the distillery, the distiller must provide suitable and accurate scales, graduated in half pounds, on the distillery premises for weighing the same.

(Sec. 2808, I. R. C.)

§ 184.121 *Weighing tanks.* Where brandy is to be removed from a distillery by pipeline for any authorized purpose provided by this part, the distiller must provide on the distillery premises one or more suitable weighing tanks constructed in accordance with the provisions of § 184.122 unless the receiving tanks or brandy deposit tanks are mounted on scales or unless such removals are limited to transfer of brandy to a weighing tank located in a warehouse operated by the distiller on the same or contiguous premises, or to a weighing tank in the fortifying room of the contiguous winery and gauged therein. Where heads and tails are to be destroyed without being drawn into packages or are to be removed in tank cars for denaturation, the distiller must provide in the distillery building a similar weighing tank of like construction except that such weighing tanks will not be necessary in the distillery building where suitable weighing tanks are provided in the receiving room or the brandy deposit room and heads and tails are to be conveyed by fixed pipelines constructed in accordance with § 184.140 from the heads and tails tanks to the receiving room or brandy deposit room weighing tanks and gauged therein. Where removals are regularly made for shipment by tank car, weighing tanks must be of sufficient capacity to load a tank car, or a compartment thereof, in a single gauging operation. Beams or dials of tank scales must be graduated to enable readings to be made as follows: to the nearest one-half pound for weighing lots of spirits not exceeding 2,000 pounds; to the nearest 1 pound for weighing lots of spirits over 2,000 pounds but not over 6,000 pounds; to the nearest 2 pounds for weighing lots of spirits over 6,000 pounds but not over 20,000 pounds; to the nearest 5 pounds for weighing lots of spirits over 20,000 pounds, but not over 50,000 pounds; and to the nearest 10 pounds for weighing lots of spirits weighing over 50,000 pounds.

(Secs. 2800, 2808, I. R. C.)

§ 184.122 *Construction of weighing tanks.* Weighing tanks shall be constructed of metal and shall be stationary

and each such tank shall be equipped with a suitable measuring device whereby the contents will be correctly indicated. Each weighing tank shall be mounted on accurate scales and shall have plainly and legibly painted thereon the words "Weighing Tank," followed by its serial number and the capacity in gallons. The inlet and outlet pipe connections of each weighing tank must be fitted with valves so constructed that they can be secured with Government locks, and any other openings in such tanks must also be so constructed that they can be closed and similarly locked.

§ 184.123 *Test weights.* The distiller shall provide a set of ten 50-pound cast-iron test weights, which shall be certified by the National Bureau of Standards or State departments of weights and measures as conforming to class "C" requirements of the National Bureau of Standards: *Provided*, That test weights need not be furnished where all brandy produced is transferred directly from the distillery to the fortifying rooms of wineries for the fortification of wine and the distiller has the scales used for weighing brandy, including those upon which weighing tanks are mounted, checked and their accuracy certified to by State, county, or city departments of weights and measures or by responsible scale companies at intervals of not more than 6 months. If the distiller has provided such test weights at an internal revenue bonded warehouse operated by him on the same or contiguous premises, or at a bonded winery or rectifying plant on contiguous premises, he need not provide a separate set of weights for the distillery. All test weights shall be placed under the control and in the custody of the storekeeper-gauger in charge, who shall keep them under Government lock when not in use.

(Sec. 2808, I. R. C.)

§ 184.124 *Furnace doors, steam and fuel lines.* The door of every furnace of every still or boiler located on the distillery premises must be so constructed that it may be closed and locked with a Government lock in such a manner as will effectually prevent it from being opened and a fire lighted in the furnace or under the boiler: *Provided*, That where the stills are heated with steam and it is necessary to use the boilers for the generation of steam for other purposes during periods when distilling operations are suspended, the doors of the furnaces of such boilers need not be equipped for locking if the pipelines used to convey steam from the boilers to the stills are provided with valves equipped for locking with Government locks at the point where they enter each still. Where the boilers used for generating steam for the operation of the distillery are located off the distillery premises, the pipeline used to convey the steam to the distillery must be equipped with a valve so constructed that it may be locked with a Government lock, either at the point where it enters the distillery premises or at the point of entrance to the stills. If the stills are operated with fuel conveyed to them by

pipeline, such pipeline must likewise be equipped for locking.

(Sec. 2322, I. R. C.)

§ 184.125 *Distilling material measuring and storage tanks.* There must be provided at each fruit distillery one or more distilling material measuring tanks for measuring the distilling material received, and, if distilling material is to be stored on the premises, a requisite number of distilling material storage tanks: *Provided*, That where all distilling material used is received from a bonded winery operated by the distiller on contiguous premises, and such distilling material is conveyed direct from measuring tanks on the winery premises to the chargers of the stills or to sumps for immediate transfer to the chargers, as authorized by § 184.92, such tanks need not be installed in the distillery. Where brandy is received for redistillation the tanks used for storage thereof must have the inlets, outlets, and other openings thereof equipped for locking with Government locks and the tanks and pipelines used in connection therewith must be installed and equipped in accordance with §§ 184.129 and 184.140. Distilling material measuring tanks may be used as storage tanks when not needed for measuring distilling material received or used. Each distilling material measuring tank or storage tank must be constructed of wood, metal, concrete, or other suitable material, and so arranged as to permit proper examination thereof. Each such tank must have plainly and legibly painted thereon its designated use, as "Distilling Material Measuring Tank" or "Distilling Material Storage Tank," followed by its serial number, capacity in gallons, depth in inches, and, if of uniform dimensions and standing on end, the capacity per inch of depth. Where such tanks are of irregular dimensions or are lying on side, the distiller shall furnish to the district supervisor a table, in duplicate, showing the capacity of the tank for each inch of depth. The district supervisor will retain one copy of the table and forward the other to the storekeeper-gauger, who will retain the same in the Government office. The distiller shall provide an accurate measuring rod, marked in inches, or a steel tape, suitable for use in determining the contents of such tanks. Where such tanks are equipped with an accurate measuring device whereby the contents are correctly shown, the capacity per inch of depth need not be marked on the tank and a measuring rod or tape need not be provided.

(Sec. 2829, I. R. C.)

§ 184.126 *Fermenters.* Where distilling material is to be produced on the distillery premises there must be provided appropriate fermenting tanks. Such tanks shall be located in the fermenting room or building, except that where closed fermenters are used they need not be enclosed in a room or building. The fermenters shall be constructed and marked in the same manner as distilling material measuring and storage tanks are required by § 184.125 to be constructed and marked, except that the designated use of such tanks

will be represented by the words "Fermenting Tank," and the markings shall be painted on the tanks. Where fermenters are of irregular dimensions or are lying on side, the same provisions shall be made for determining their contents as are required by § 184.125 in the case of distilling material measuring and storage tanks.

(Sec. 2822, I. R. C.)

§ 184.127 *Washwater receiving tanks.* If carbon dioxide is recovered, and the washwater is to be utilized in the manufacture of brandy, there must be provided a sufficient number of washwater receiving tanks, which shall be constructed of metal. Each such tank shall be equipped with a suitable measuring device whereby the actual contents will be correctly indicated. There must be painted on each tank the words, "Washwater Receiving Tank," followed by its serial number and the capacity in gallons. The outlet valve must be equipped for locking with a Government lock. If the washwater is not used in the manufacture of brandy, as provided by § 184.460, washwater receiving tanks need not be provided.

(Sec. 2329, I. R. C.)

§ 184.128 *Stills.* The stills must be of substantial construction and must have a clear space of not less than 1 foot around them. The steam or fuel line to each still shall be equipped with a valve so constructed that it may be locked with a Government lock when the distillery is suspended, as required by § 184.698. The drain and washout pipes of stills must also, whenever practicable, be equipped with valves so constructed that they may be locked with Government locks. If there is a furnace under the stills or doublers, the door thereto must, as provided in § 184.698, be so constructed that it may be secured with a Government lock. There must be a clear space of not less than 2 feet around every doubler and condenser or worm tank. The doubler and worm tanks must be elevated not less than 1 foot from the floor. Every still must be numbered, commencing with number 1, and have painted thereon its designated use, such as "Beerstill," "Doubler," etc., and its number and spirit producing capacity in proof gallons in 24 hours, computed in accordance with the rules set forth in Subpart PP of this part. Where the still is insulated or the manufacturer's serial number is otherwise obscured, such number will likewise be painted on the covering of the still.

(Sec. 2822, I. R. C.)

§ 184.129 *General requirements for tanks.* All tanks used as receptacles for brandy between the outlet of the first condenser or worm and the receiving tanks shall be constructed of metal, unless enclosed within a securely constructed room equipped for locking with a Government lock, in which case the tanks may be constructed of wood or concrete. All tanks shall be equipped with a suitable measuring device, conforming to the requirements of § 184.130, whereby the actual contents will be cor-

rectly indicated. Where such tanks are of irregular dimensions, the distiller shall furnish to the district supervisor, a table, in duplicate, showing the capacity of the tank for each inch of depth. The district supervisor will retain one copy of the table and forward the other to the storekeeper-gauger who will retain the same in the Government office. All tanks must be so constructed as to permit proper examination thereof, and so arranged as to leave an open space of not less than 3 feet between the top and the roof or floor above. All tanks, such as low-wine, singlings, heads and tails, fusel oil and distilled water tanks, and similar equipment shall each have plainly and legibly painted thereon its designated use, serial number, and capacity in gallons. Manheads, inlets, and outlets of the tanks and all openings in the distilling apparatus and equipment, except column stills, whereby access may be had to the brandy must be provided with facilities for locking with Government locks or otherwise securely fastened or sealed: *Provided*, That distilled water storage tanks need not be so equipped unless a pipeline is connected therewith for the conveyance of distilled water to contiguous establishments, as provided in § 184.133. Tanks used as receptacles for spirits may be permanently connected with pipelines, for the conveyance thereto of air, and also distilled water, but the distilled water pipeline must be affixed to the top of the tank, and may not extend into the tank. Each such pipeline must be equipped with a control valve which may be locked with a Government lock. Pipelines used for the conveyance of air must also be equipped with a check valve located near the point of entry to the tank in order to effectively prevent any abstraction of spirits from the tank. Other pipelines, except those used for the conveyance of brandy, may not be permanently connected with such tanks.

(Secs. 2823, 2829, 3041, I. R. C.)

§ 184.130 *Measuring devices.* All tanks used as receptacles for brandy shall be equipped with floats and counterweights and a proper scale, whereby the actual contents will be correctly indicated, except that tanks located in a locked room may be equipped with suitable and accurate glass gauges. The openings in the tanks for cords or wires for floats and counterweights must be no larger than are absolutely necessary to accommodate the cords or wires. Where tanks equipped with floats and counterweights are in a locked room the scale should be extended to the outside of the room to permit ascertainment of the contents of the tank and thus guard against overflow without the necessity of opening the door of the room. Where tanks in a locked room are equipped with glass gauges, a properly barred and secured window must be provided in the wall or door to permit reading the gauge.

(Sec. 2829, I. R. C.)

§ 184.131 *Heads and tails tanks.* Every fruit distiller desiring to collect heads and tails for destruction or removal for denaturation must provide for the purpose one or more tanks, each of which

must be constructed and equipped in accordance with the provisions of § 184.129, and have painted thereon the words "Heads and Tails Tank," followed by its serial number and capacity in gallons. The tanks must be so arranged that the distillate to be collected therein will pass from the still into the tank through continuous and securely closed fixed pipes and vessels. The pipelines connecting the tanks with the stills or other apparatus must be constructed in accordance with § 184.140. Valves must be provided in the pipelines and so arranged as to control completely the flow of distillate both into and out of each tank. The construction of the valves must be such that they can be secured with Government locks.

(Secs. 2823, 2829, 2916, I. R. C.)

§ 184.132 *Unfinished brandy tanks.* Whenever a fruit distillery established or operated under this part is to be operated alternately as such and as an industrial alcohol plant or as a registered distillery in accordance with Subpart N of this part, and the fruit distiller desires to retain unfinished brandy where the change in type of plant is to be temporary only, he must provide for the purpose one or more tanks, each of which must be constructed and equipped in accordance with the provisions of § 184.129 and have painted thereon the words "Unfinished Brandy Tank," followed by its serial number and capacity in gallons. The tanks must be so arranged that the unfinished brandy to be collected therein will pass from the still into the tank through continuous and securely closed, fixed pipes and vessels. The pipelines connecting the tanks with stills or other apparatus must be constructed in accordance with § 184.140. Valves must be provided in the pipelines and so arranged as to control completely the flow of unfinished brandy both into and out of each tank. The construction of the valves must be such that they can be secured with Government locks.

(Secs. 2823, 2829, I. R. C.)

§ 184.133 *Distilled water tanks.* Distilled water storage tanks shall be so located that their contents may be readily inspected by Government officers, and each such tank shall have painted thereon the words "Distilled Water Storage Tank," followed by its serial number and capacity in gallons. Where distilled water is to be conveyed by pipeline to contiguous establishments operated under the internal revenue laws and this part, the storage tanks from which the distilled water is to be conveyed must be so constructed that any necessary openings therein may be closed and secured with a Government lock. The pipeline must be an independent one, without any connection with any other pipe, tank, vessel, or utensil on the distillery premises: *Provided*, That where distilled water is to be so conveyed from two or more distilled water storage tanks, the pipeline may be connected with such tanks by permanent manifold connections. The pipeline must be constructed of metal, or other suitable material, and exposed to view throughout its entire length. The valves, flanges, and other

connections in such pipeline on the distillery premises must be brazed, welded, or otherwise secured in such a manner that the pipeline and its connections cannot be detached or altered without showing evidence of tampering.

(Secs. 2823, 2829, I. R. C.)

§ 184.134 *Try boxes.* Try boxes must be provided and so constructed as to permit reading the proof of the brandy, as well as the temperature, without unlocking the same. Such boxes shall be substantially constructed, and shall be equipped for locking with a Government lock. Each try box must be provided with an overflow pipe to permit by-passing of the spirits around the valves controlling the flow from the try box to the receiving tank. The overflow pipe shall be brazed or welded to the pipeline leading to the low-wine, singlings, or receiving tanks.

(Sec. 2829, I. R. C.)

§ 184.135 *Singlings tanks.* Where singlings are produced the distiller shall provide singlings tanks for the reception thereof. Singlings tanks shall be constructed and arranged in accordance with § 184.129, and equipped with a suitable measuring device conforming to the requirements of § 184.130, whereby the actual contents will be correctly indicated. Each singlings tank shall have plainly and legibly painted thereon the words "Singlings Tank," followed by its serial number and capacity in gallons. The singlings tank shall be connected by means of fixed, pipelines with the stills in which the singlings are to be redistilled, or, if it is desired to mingle singlings with distilling material about to be distilled, the singlings tanks may be connected by means of fixed, pipelines with the distilling material sump or the chargers of the still, or the distilling material pipeline leading to the still, in accordance with § 184.136. The pipelines connected with the singlings tanks shall be provided with valves to control the flow of brandy into and out of the tanks, and such valves shall be so constructed that they may be closed and secured with Government locks. Where the tanks are connected with a closed, locked still in which the singlings are redistilled, the valves controlling the flow of the brandy into and out of the tanks need not be equipped for locking with a Government lock. By the term "closed, locked still" is meant a still of the pot or kettle type, all openings therein by which access may be had to the brandy are closed and secured with Government locks.

(Secs. 2829, 3041, I. R. C.)

§ 184.136 *Sumps and chargers.* Where singlings are to be run into the sump or the chargers of the still and mixed with the distilling material for distillation, the sump and chargers, or the chargers, as the case may be, must be so constructed that the inlets, outlets, and other openings thereof may be closed and secured with Government locks. The pipeline between the sump and chargers and the still shall be constructed and secured as provided in § 184.140.

(Secs. 2829, 3041, I. R. C.)

§ 184.137 *Receiving tanks.* The distiller shall provide a sufficient number of receiving tanks of adequate capacity, into which shall be conveyed all the brandy produced in the distillery. Such tanks will be located in the receiving room where such a room is provided. If no receiving room is provided, the distiller may, if he so desires, place receiving tanks in the brandy deposit room, or, if the tanks are constructed of metal, they may be located at some place in the distillery convenient for drawing off brandy. If the tanks are not constructed of metal they must be placed in the brandy deposit room, unless a receiving room is provided. At distilleries where operations are not such as to require the daily attendance of a storekeeper-gauger, the receiving and singlings tanks shall be of such capacity as will necessitate the visit by a Government officer not more than twice a month to gauge the brandy: *Provided*, That the district supervisor may approve tanks of less capacity where, by reason of the location of the distillery, he can assign a storekeeper-gauger to visit the distillery more often than twice a month to gauge the brandy, or where the quantity of brandy produced is such as to make the retention of 15 days' production in the receiving tanks inadvisable. Receiving tanks must be constructed and arranged in conformity with the requirements of § 184.129, and, in addition thereto, such tanks must be elevated not less than 18 inches from the floor and so separated that the Government officer may pass completely around each. Each receiving tank shall be equipped with a suitable measuring device conforming to the requirements of § 184.130 whereby the actual contents will be correctly indicated. Each such tank shall have plainly and legibly painted thereon the words "Receiving Tank," followed by its serial number and the capacity in gallons. The receiving tanks must not be connected with each other, except that a connecting pipeline will be permitted between them in order to prevent loss of spirits by overflow. Such connecting pipeline must be located as close to the top of each receiving tank as the construction thereof will permit. It must be closed and all connections therein brazed or welded to prevent abstraction of brandy without showing evidence of tampering. A valve equipped for locking with a Government lock must be provided in such pipeline. Pipelines connected with receiving tanks must be brazed, welded, or otherwise secured and sealed to the tanks in such a manner that they cannot be detached or altered without showing evidence of tampering. Pipelines for the conveyance of distilled water, air, or other substances than brandy may not be permanently connected with receiving tanks, except as provided by § 184.129.

(Secs. 2823, 2829, 3041, 3170, I. R. C.)

§ 184.138 *Stopcocks of receiving tanks.* The stopcocks which control the flow of brandy into the receiving tanks must be so arranged that the brandy may be run into any of the tanks, and if the stopcocks are in the receiving room or brandy deposit room they must be con-

trolled by rods, the handles of which must extend into the distillery or through the wall to the outside of the receiving room or brandy deposit room. The stop-cocks controlling the flow of brandy out of receiving tanks must be so constructed that they may be securely locked with Government locks.

(Secs. 2823, 3041, I. R. C.)

§ 184.139 *Brandy storage tanks.* Where brandy is to be temporarily stored in tanks pending removal from the distillery, such tanks shall be located in the brandy deposit room. The construction of brandy storage tanks shall conform to the requirements of § 184.129. Each brandy storage tank shall have plainly and legibly painted thereon the words "Brandy Storage Tank," followed by its serial number and the capacity in gallons.

(Secs. 2823, 2829, 3041, I. R. C.)

§ 184.140 *Pipelines.* The distillery apparatus and equipment must be closed and continuous, commencing with the first still in which the vapors rise and continuing with securely closed vessels and pipes to the receiving tanks in which the finished product is deposited. All such pipelines must be of a fixed and permanent character, constructed of metal, or other material affording necessary protection, and so arranged as to be exposed to view in their entirety. All valves, unions, flanges, and other detachable connections in the pipelines of the distilling equipment, from the point where the vapors rise in the first still to the receiving tanks, must be so secured by brazing, welding, fastening, and sealing, or locking with Government locks as to effectually prevent disconnection and access to the brandy. Pipelines authorized by this part for use in the conveyance of brandy from receiving tanks to storage tanks in the brandy deposit room and from the distillery to establishments on the same or contiguous premises shall be constructed, secured and exposed in like manner and shall be so arranged that each such pipeline can be completely drained after each transfer of brandy: *Provided*, That such pipelines may be connected with weighing tanks by means of flexible metal hose with the ends brazed or welded to the outlet of the tank and the pipeline, or by means of short detachable hose connections, if the end of the pipeline is fitted with a valve so constructed that it may be secured with a Government lock.

(Secs. 2823, 2829, 3041, I. R. C.)

§ 184.141 *Additional requirements for pipelines.* A separate pipeline must be installed to each plant to which transfer of brandy by pipeline is authorized, or for the loading or unloading of tank cars, except as provided in § 184.568. Such pipelines may be connected only to the tanks to or from which transfer of brandy is authorized, except, where two or more tanks are used for the same purpose, manifold connections may be used. Manifold connections must be equipped with valves which may be secured with Government locks and so arranged as to permit complete control of brandy into or out of each tank.

There shall be painted on each pipeline extending to and from a manifold a legend showing the kind and serial number of the tank or the type and registry number of the contiguous establishment with which the pipeline is connected. Where there are separate pipelines leading directly from a tank to a tank car loading zone or an establishment on the same or contiguous premises, a legend indicating the use of such pipeline or the type and registry number of the contiguous establishment shall be painted thereon. Pipelines so used shall be kept painted in the colors required by § 184.145.

(Secs. 2800, 2820, 2823, 2829, 2883, I. R. C.)

§ 184.142 *Preparation for sealing flanges.* Where flanges and other detachable connections in the pipelines (other than unions or valves) are not secured by welding or brazing, and are not to be secured by Government locks, they must be prepared by the distiller for sealing with "cap" seals by one of the following methods:

(a) By applying a "castle" nut with a hole drilled through the bolt, so the sealing wire may be passed through like a cotter pin, two such nuts being applied to each flange, opposite each other, unless the flange is secured with an uneven number of bolts, in which case three such nuts will be applied at approximately equal distances apart;

(b) By drilling a small hole through both nut and bolt, two such bolts and nuts being drilled for each flange, opposite each other, unless the flange is secured with an uneven number of bolts, in which case three such nuts will be applied at approximately equal distances apart; or

(c) By drilling a hole through the corner of the head of the bolt and one through the corner of the nut so the two will be sealed together, two such bolts and nuts being drilled for each flange, opposite each other, unless the flange is secured with an uneven number of bolts, in which case three such nuts will be applied at approximately equal distances apart.

(Secs. 2823, 3041, I. R. C.)

§ 184.143 *Preparation for sealing unions.* Where unions in the pipelines are not secured by welding or brazing, and are not to be secured by Government locks, they will be prepared for sealing by enclosing the same in a metal box with holes for the sealing wire.

(Secs. 2823, 3041, I. R. C.)

§ 184.144 *Preparation for sealing valves.* Where small gate and globe valves in the pipelines are not secured by welding or brazing, and are not to be secured by Government locks, they may be prepared for sealing by inclosing the packing nut and hood with a metal band or strap drawn tightly around the flange and fitted for reception of the sealing wire, or by drilling a hole in the packing nut so that sealing wire may be passed through and drawn around the pipe and sealed. Where valves have large flanges, such flanges may be sealed in the same manner as other flanges.

(Secs. 2823, 3041, I. R. C.)

§ 184.145 *Colors for pipelines.* The pipelines in the fruit distillery used for conveying the following substances shall be kept painted in the colors indicated:

| | |
|----------------|--|
| Black..... | Brandy or other finished spirits. |
| Blue..... | Vapor, singlings, high wines and low wines, or other unfinished spirits. |
| Red..... | Fermented mash, wine, or other distilling material. |
| Gray..... | Must or other unfermented material. |
| Brown..... | Slop. |
| Yellow..... | Fusel oil. |
| White..... | Water. |
| Aluminum.... | Steam. |
| Orange..... | Air. |
| Olive green... | Carbon dioxide gas. |

These colors are intended for such pipelines only and are prescribed for the purpose of distinguishing such pipelines from each other and from all other pipelines on the premises which are painted but for which colors are not prescribed. The painting in one of the prescribed colors, or a color similar thereto, of a pipeline for which a color is not prescribed is prohibited. Pipelines for which colors are not prescribed may be painted in sections of contrasting colors.

(Sec. 2822, I. R. C.)

§ 184.146 *Sufficient equipment required.* Whenever a fruit distiller desires to produce in his fruit distillery two or more kinds of brandy simultaneously, he must provide sufficient fermenters, distilling apparatus, receiving tanks, and other equipment to permit the production thereof without the commingling of dissimilar brandy.

(Sec. 2829, I. R. C.)

§ 184.147 *Hydrometers.* Proprietors of distilleries will provide standard hydrometer sets for their own use in determining the proof of brandy.

§ 184.148 *Details of construction and equipment.* The Commissioner may approve details of construction and equipment in lieu of those prescribed where it is impracticable to conform to prescribed specifications and as much security will be afforded. Details not covered in this part must afford as much security as those prescribed. The Commissioner's approval should be first obtained where substitution is proposed or where the security of proposed construction and equipment not covered in this part is doubtful.

§ 184.149 *Distilleries heretofore established.* Fruit distilleries heretofore established may continue to operate if the present construction and equipment afford adequate security and protection to the revenue. The Commissioner or district supervisor may at any time require the distiller to make changes in construction and equipment conforming to the provisions of this part, if deemed necessary to safeguard the revenue or to permit more economical and efficient supervision by Government officers. All fruit distilleries hereafter established, and changes in existing fruit distilleries, must be in conformity with this part.

(Secs. 2823, 3170, I. R. C.)

SUBPART I—QUALIFYING DOCUMENTS

§ 184.160 *Notice, Form 27½.* Every person engaged in the business of a fruit distiller, or intending to engage therein, or who wishes to continue in such business on and after the first day of May in each year, must give notice of such intention on Form 27½. This notice must be filed in triplicate with the district supervisor of the district in which the premises are located, before engaging in the business, and on May 1 of each year thereafter during continuance in such business. Except as provided in § 184.169, in the case of amended or supplemental notices, all of the information indicated by the lines of the form and the instructions printed thereon or issued in respect thereto, and as required by the regulations in this part, shall be furnished. Notices on Form 27½ must be signed in accordance with the instructions printed on the form and sworn to before an officer authorized to administer oaths: *Provided*, That if the form officially prescribed for such notice contains therein a provision for verification by a written declaration that such notice is made under penalties of perjury, such notice shall be verified by the execution of such declaration, and such declaration so executed shall be in lieu of the oath required herein for verification. Such notices must be numbered serially, commencing with number 1 and continuing in regular sequence for all notices thereafter filed, whether annual, amended, or supplemental. All data, written statements, affidavits, and other documents submitted in support of the application shall be deemed to be a part thereof.

(Secs. 2812, 3170, 3809, I. R. C.)

§ 184.161 *Permit required.* Under the Federal Alcohol Administration Act and the regulations issued pursuant thereto (27 CFR, Part 1) any person except an agency of a State or political subdivision thereof, or any officer or employee of any such agency intending to engage in the business of producing brandy is required to procure a permit therefor. Application for such permit should be filed with the district supervisor, at the time of filing the original notice, Form 27½.

(Sec. 3, 49 Stat., 978; 27 U. S. C., 203)

§ 184.162 *Description of premises.* The lot or tract of land on which the distillery is situated must be described on Form 27½ by courses and distances, in feet and inches, with the particularity required in conveyances of real estate. If the distillery premises consists of two or more lots or parcels, the condition of the title to which is not the same, the entire distillery premises shall be first described, followed by a separate description by courses and distances, in feet and inches, of each such lot or parcel. The continuity of the distillery premises must be unbroken, except that the premises may be divided by a public street or highway, if parts of the premises so divided abut on such street or highway opposite each other. The premises may be similarly divided by a railroad right of way, if the railroad is a common carrier. In such cases, each tract of land constituting the distillery

premises shall be described separately on the form.

(Sec. 2812, I. R. C.)

§ 184.163 *Description of buildings and rooms.* All buildings and rooms on the distillery premises shall be accurately described on Form 27½. The description shall include the designated name of the building or room, which shall be according to its use, such as distillery building, brandy deposit room, etc., the materials of which constructed, the dimensions thereof, the location of doors, windows, and other openings, and the manner in which they are secured and protected. Each floor of each building shall be described separately. If more than one building or room is used for the same purpose, the name shall include an alphabetical designation to distinguish them.

(Sec. 2812, I. R. C.)

§ 184.164 *Distilling capacity.* The estimated maximum number of proof gallons of brandy that can be distilled in a day of 24 hours must also be stated in the space provided therefor on Form 27½. The estimated quantity of brandy that can be distilled daily will be based on the capacity of the stills and the use of a maximum strength distilling material. The capacity of the stills will be computed in accordance with the rules set forth in this part.

(Sec. 2812, I. R. C.)

§ 184.165 *Daily production.* The estimated maximum quantity of each kind of material that the distiller intends to distill in a day of 24 hours, and the estimated maximum quantity in proof gallons of brandy that will be produced from such materials, including spirits produced by redistillation pursuant to Subpart U of this part, in a like period, shall be stated on Form 27½. Where the distiller intends to distill different kinds of materials than those covered by Form 27½, or to distill a larger quantity of the specified materials than the maximum indicated on such form, or to produce a larger quantity of brandy than the maximum indicated on the form, he must file with the district supervisor an amended notice, Form 27½, in triplicate, and, if the tax on the quantity of brandy to be produced during a period of 15 days will exceed the penal sum of the distiller's bond (if such penal sum is less than the maximum of \$100,000), a new or additional distiller's bond must be filed, as provided in § 184.219. Likewise where the quantity of brandy actually produced during any period of 15 days exceeds the estimated maximum quantity to be produced during such period, the distiller must file an amended notice, on Form 27½ and where required, a new or additional distiller's bond, in accordance with § 184.188.

(Secs. 2812, 3170, I. R. C.)

§ 184.166 *Condition of title to premises.* The condition of the title to the distillery premises shall be shown on Form 27½. If the distiller is not the owner in fee, unencumbered by any mortgage, judgment, or other lien, of the lot or tract of land on which the distillery is situated, the name and address of the

owner of the fee and of any mortgagee, judgment-creditor, or other person having a lien thereon, shall be stated. Where the written consent of the owner of the fee and of mortgagees, judgment-creditors, or other lienors, is filed as provided in § 184.170, or where an indemnity bond is filed in lieu of such written consent, as provided in §§ 184.176 and 184.177, such fact, together with information as to the kind, date, and amount of the encumbrance and the balance due thereon shall be shown on the notice in connection with the statement of the present condition of the title. In cases where an indemnity bond is filed, the date of the district supervisor's approval of the filing of such bond shall also be given.

(Secs. 2800, 2812, 2815, I. R. C.)

§ 184.167 *Condition of title to apparatus and equipment.* The distiller's title to, or interest in, the distilling apparatus and equipment shall be shown on Form 27½. If the distiller is not the owner of the distilling apparatus and equipment, unencumbered by any mortgage, judgment, or other lien, the name and address of the owner and of any mortgagee, judgment-creditor, conditional sales vendor, or other lienor shall be stated. Where the written consent of the owner and of the mortgagees, judgment-creditors, conditional sales vendors, or other lienors, is filed as provided in § 184.170, or where an indemnity bond is filed in lieu of such written consent, as provided in §§ 184.176 and 184.177, such fact, together with information as to the kind, date, and amount of the encumbrance and the balance due thereon, or if the apparatus was purchased under a conditional sales contract, or other form of title retaining contract, the purchase price and the balance due, shall be shown in connection with the statement of the distiller's title to or interest in the property. In cases where an indemnity bond is filed, the date of the district supervisor's approval of the filing of such bond shall also be given.

(Secs. 2800, 2812, 2815, I. R. C.)

§ 184.168 *Distance from rectifying plant or vinegar factory.* If the distillery premises are situated more than 600 feet in a direct line from any premises authorized to be used for rectifying spirits, or from a vinegar factory using the vaporizing process, such fact shall be stated on Form 27½. If the distance between the distillery premises and the premises of a rectifying plant is less than 600 feet in a direct line, there must be stated in the notice, Form 27½, the name of the proprietor of the rectifying plant, the exact distance in feet and inches between the distillery and the rectifying plant, and whether the location of the distillery within such distance of the rectifying plant has been approved by the district supervisor. If such location of the distillery has been approved by the district supervisor, the date of such approval shall be given. If the distance between the distillery premises and a vinegar factory using the vaporizing process is less than 600 feet in a direct line, such fact, and the date of the es-

tablishment of the vinegar factory shall be stated on the form.

(Secs. 2812, 2819, 2834, 2835, 3170, I. R. C.)

§ 184.169 *Amended and supplemental notices.* Amended and supplemental notices on Form 27½ may be executed in skeleton form, except as to the items amended or supplemented. All other items which are correctly set forth in prior notices, and in which there has been no change since the last preceding notice, may be incorporated in the amended or supplemental notice by reference to the respective notice previously filed. Such incorporation by reference shall be made by entering for each such item in the space provided therefor the statement "No change since filing Form 27½, Serial No. _____" (the number being inserted), and the date of such form.

(Sec. 2812, I. R. C.)

§ 184.170 *Consent, Form 1602.* Where the distiller is not the owner in fee of the lot or tract of land on which the distillery is situated, unencumbered by any mortgage, judgment, lien, or other encumbrance, or is not the owner of the distilling apparatus and equipment, unencumbered by any mortgage, judgment, lien, or other encumbrance, he must file the written consent, Form 1602, of the owner and of any mortgagee, judgment-creditor, lienor, or other encumbrancer, conditional sales vendor, or prior lessee, that the premises or property may be used for the purpose of distilling spirits, subject to the provisions of law, and expressly stipulating that the lien of the United States for taxes and penalties shall have priority over any right, title, or interest of the person giving the consent, and that, in the case of the forfeiture of the premises or property, or any part thereof, the title to the same shall vest in the United States, discharged from any such right, title or interest.

(Sec. 2815, I. R. C.)

§ 184.171 *Execution of consent.* The consent shall be executed on Form 1602, in triplicate, in accordance with the instructions printed thereon, duly acknowledged before an officer authorized to take acknowledgement of deeds, properly recorded, and submitted to the district supervisor with the notice, Form 27½, and made a part thereof. The acknowledgment and certificate of recordation shall be executed on all three copies of the form.

(Sec. 2815, I. R. C.)

§ 184.172 *New consent when required.* A new consent will be required for each year beginning on the first day of May, unless the consent is given for a definite period of time exceeding one year, in which event the consent should be given in terms to expire at the beginning of an annual period, May 1. If, after such consent is filed, the premises are extended and the distiller is not the owner in fee, unencumbered of the additional premises, or additional apparatus and equipment are installed and the distiller is not the owner thereof unencumbered, a consent on Form 1602 must be filed for such additional premises or appa-

tus and equipment. A new consent will also be required whenever there is a change of proprietorship, including a succession for a temporary period by a lessee or fiduciary, unless the consent procured by the predecessor specifically covers operation of the premises by his successor or assigns. In the event of failure of such consent, the distiller will be no longer qualified, unless an indemnity bond on Form 3-A is filed.

(Sec. 2815, I. R. C.)

§ 184.173 *Bond in lieu of consent.* Where consent on Form 1602 cannot be obtained or where the distillery was sold at a judicial or other sale in favor of the United States, and there exists a right of redemption from such sale, the distiller may file in lieu of such consent, an indemnity bond, Form 3-A, as provided in § 184.174.

(Sec. 2815, I. R. C.)

§ 184.174 *Permission required for filing bond, Form 3-A.* Where the distiller cannot obtain the written consent of the owner of the fee of the distillery premises, and of any mortgagee, judgment-creditor, lienor, prior lessee, or other person having an encumbrance thereon, or where he cannot obtain such consent of the owner of the apparatus and equipment, and of any mortgagee, judgment-creditor, conditional sales vendor, lienor, prior lessee, or other encumbrancer, and desires to file an indemnity bond, Form 3-A, in lieu of such consent, he shall file application, in triplicate, with the district supervisor for permission so to do.

(Sec. 2815, I. R. C.)

§ 184.175 *Application.* The application shall contain (a) an accurate description of the lot or tract of land on which the distillery is situated, and of the distillery, the buildings, and the distilling apparatus and equipment thereon; (b) a full and clear statement of the condition of the title to the distillery premises and apparatus and equipment, including the name and address of the owner and of all mortgagees, judgment-creditors, conditional sales vendors, prior lessees, and other persons having liens or encumbrances thereon, the kind, date, and amount of each encumbrance and the balance due thereon, and, in the case of apparatus and equipment purchased under a conditional sales contract, or other form of title retaining contract, the purchase price and the balance due; and (c) a full and clear statement of the reasons why the applicant cannot obtain the prescribed written consent. The district supervisor will take action on such application in accordance with the procedure prescribed in § 184.327.

(Secs. 2815, 3170, I. R. C.)

§ 184.176 *Bond, Form 3-A.* If the application is approved, the distiller shall execute bond on Form 3-A, in triplicate, in conformity with the applicable provisions of §§ 184.200 to 184.220, and file the same with the district supervisor. The penal sum of the bond shall be equal to the appraised value of the lot or tract of land on which the distillery is situated, the distillery, the buildings, and the distilling apparatus. If, after such

bond is filed, the value of the distillery premises, buildings or distilling apparatus is increased by additional land, buildings, or distilling apparatus, an additional bond on such form to cover the increase in value will be required: *Provided*, That if such increase in value is less than \$5,000, no additional bond will be required. In the event of a failure of bond on Form 3-A the distiller will be no longer qualified, unless a new and satisfactory bond is filed.

(Sec. 2815, I. R. C.)

§ 184.177 *Bond in lieu of consent where distillery is sold for United States.* Where a distillery is sold at a judicial or other sale in favor of the United States, the distiller may give bond on Form 3-A in lieu of the consent of the person possessing the right of redemption and of any mortgagee, judgment-creditor, lienor, prior lessee, or other encumbrancer, and be allowed, upon complying with all other provisions of law and this part, to operate the distillery during the existence of the right of redemption from such sale. A distiller desiring to give bond in such case shall file application, in triplicate, with the district supervisor for permission so to do. The application shall contain a full and clear statement of the condition of the title, including the name and address of the person having the right of redemption and of all encumbrancers, the kind, date, and amount of each encumbrance, the date of the sale and the date of expiration of the right of redemption. The penal sum of the bond shall be equal to the appraised value of the lot or tract of land on which the distillery is situated, together with the buildings and distillery apparatus. If, after such bond is filed, the value of the distillery premises, buildings or distilling apparatus is increased by additional land, buildings or distilling apparatus, an additional bond on such form to cover the increase in value will be required: *Provided*, That, if such increase in value is less than \$5,000, no additional bond will be required.

(Sec. 2815, I. R. C.)

§ 184.178 *Appraisal.* The appraisal to determine the penal sum of the bond on Form 3-A shall be made by two or more competent persons designated by the district supervisor. The appraisers shall render to the district supervisor a report, in duplicate, showing separately the value of the land and buildings and the distilling apparatus, and containing a full and clear statement of the methods employed by them in determining their valuations. The appraisal shall be at the expense of the distiller, unless it is made by Government officers.

(Sec. 2815, I. R. C.)

§ 184.179 *Certificate of title.* The distiller shall submit a certificate and, when required, an abstract, in triplicate, of the title to the distillery premises, prepared by a person authorized by the laws of the State in which the distillery is located to prepare such documents. The document must contain an accurate description of the distillery premises corresponding to that set forth in the dis-

tiller's notice, and any liens or other encumbrances on the property must be fully described. Such certificates shall accompany the distiller's notice and be made a part thereof.

(Secs. 2800, 2815, I. R. C.)

§ 184.180 *Corporate documents.* There must be submitted with, and made a part of, the original or initial notice on Form 27½, given by a corporation to engage in the business of a fruit distiller, properly certified copies, in triplicate, of the following documents:

(a) Articles of incorporation and any amended articles of incorporation.

(b) Certificate of incorporation.

(c) Certificate authorizing corporation to operate in State where distillery is located, if other than that in which incorporated.

(d) Extracts of minutes of meetings of stockholders, showing election of directors.

(e) By-laws.

(f) Extracts of the minutes of meetings of the board of directors, showing the election of officers.

(g) Extracts of the minutes of meetings of the board of directors, authorizing certain officers or other persons to sign for the corporation.

(h) List of the names and addresses of the officers and directors.

(i) List of stockholders, as provided in § 184.181.

(Sec. 2812, I. R. C.)

§ 184.181 *List of stockholders.* In the case of corporations and similar legal entities, there must be submitted with Form 27½, at the commencement of business and annually thereafter on May 1, a list of the names and addresses of all stockholders and other persons interested in the corporation or other legal entity and the amount and nature of the stock-holding or other interest of each, whether such interest appears in the name of the interested party or in the name of another for him: *Provided*, That where more than 100 persons are interested in the corporation or other legal entity as stockholders or otherwise, there need be furnished only the names and addresses and the amounts and nature of the stock-holding or other interest of the 100 persons having the largest ownership or other interest of each of the respective classes of stock or other interest, except where more complete information shall be specifically required by the Commissioner or the district supervisor: *And provided further*, That where there has been no change in the list of stockholders and other persons interested in the corporation or other legal entity, the distiller may furnish, in connection with the annual notice, a certified statement, in triplicate, to that effect in lieu of the prescribed list. Where a corporation operates two or more distilleries or other plants situated in the same supervisory district, or wholly owns one or more subsidiaries operating distilleries or other plants so situated, and in connection with qualifying for the operation of one of such distilleries or plants files a list of stockholders and other persons interested, as prescribed herein, the filing of

an additional list for each distillery will not be required, provided that in lieu of such additional list there is submitted with the distiller's notice, Form 27½, a certificate, in triplicate, definitely identifying the corporation and plant with whose notice the list of stockholders and other persons interested is filed, and giving the date of the filing thereof.

(Sec. 2812, I. R. C.)

§ 184.182 *Affidavit.* In the case of a corporation, there must be submitted with each list of stockholders an affidavit, in triplicate, executed by an officer of the corporation authorized so to do, showing the number of shares of each class of stock or other evidence of ownership, such as voting trust certificates, authorized and outstanding, the par value thereof, and the voting rights of the respective owners or holders, and certifying to the correctness of the list of stockholders or the statement authorized to be furnished with the notice in lieu of such list. In the case of an individual owner, copartnership, or association, there must be submitted with Form 27½, at the commencement of business and annually thereafter on May 1, an affidavit, in triplicate, giving the name of every person interested or to be interested in the distillery, whether such interest appears in the name of the interested party or in the name of another for him.

(Sec. 2812, I. R. C.)

§ 184.183 *Articles of copartnership or association.* In the case of a copartnership or association, a certified copy, in triplicate, of the articles of copartnership or association, if any, and, where the business is to be conducted under a firm or trade name, a trade name certificate or statement in lieu thereof conforming to provisions of § 184.258, shall be submitted with and constitute a part of the notice, Form 27½.

(Sec. 2812, I. R. C.)

§ 184.184 *Power of attorney, Form 1534.* If the notice or other qualifying documents are signed by an attorney in fact for an individual, partnership, association, or corporation, or by one of the members for a copartnership or association, or, in the case of a corporation, by an officer or other person not authorized to sign by the corporate documents described in § 184.180, such notice or other qualifying documents must be supported by a duly authenticated copy of the power of attorney conferring authority upon the person signing the document to execute the same. Such powers of attorney will be executed on Form 1534, in triplicate, and submitted to the district supervisor.

(Sec. 2812, I. R. C.)

§ 184.185 *Execution of power of attorney.* Where the principal giving the power of attorney is an individual, it must be executed by him in person, and not by an agent. In the case of a copartnership or association, powers of attorney authorizing one or more of the members, or another person, to execute documents on behalf of the copartnership or association must be executed by

all of the members constituting the copartnership or association. However, if one or more members less than the whole number constituting the copartnership or association have been delegated the authority to appoint agents or attorneys in fact, the power of attorney may be executed by such member or members, provided it is supported by a duly authenticated copy, in triplicate, of the document conferring authority upon the member or members to execute the same. Where, in the case of a corporation, powers of attorney are executed by an officer thereof, such documents must be supported by triplicate copies of the authorization of such officer so to do, certified by the secretary or assistant secretary of the corporation, under the corporate seal, if any, to be true copies.

(Sec. 2812, I. R. C.)

§ 184.186 *Duration of power of attorney.* Powers of attorney authorizing the execution of documents on behalf of a person engaged in, or intending to engage in, the business of a fruit distiller shall continue in effect until written notice, in triplicate, of the revocation of such authority is received by the district supervisor, unless terminated by operation of law.

(Sec. 2812, I. R. C.)

§ 184.187 *Bond, Form 30½.* Every person intending to commence or to continue the business of fruit distiller shall, upon filing his notice of such intention, Form 27½, and before proceeding with such business, and on the 1st day of May of each succeeding year, execute bond on Form 30½, in triplicate, in conformity with the provisions of Subpart J of this part, and file the same with the district supervisor.

(Secs. 2814, 3170, I. R. C.)

§ 184.188 *Penal sum.* The penal sum of the distiller's bond, Form 30½, shall be not less than the amount of the internal revenue tax at the rate prescribed by law on the maximum quantity of brandy that will be distilled in the distillery during a period of 15 days of 24 hours each, but in no case shall the penal sum of the bond be less than \$5,000 or greater than \$100,000. Where the distiller has not furnished bond in the maximum penal sum of \$100,000 and he intends to produce a larger quantity of brandy than that covered by his bond, he must file a new or additional bond in a sufficient penal sum to cover the tax on the increased quantity to be produced. Likewise, where the quantity of brandy actually produced during any period of 15 days exceeds the penal sum of the bond on file, if in less than the maximum penal sum, the distiller must furnish immediately a new or additional bond in a sufficient penal sum, effective as of the beginning of such period. If an additional bond is furnished in either case, it must be in accordance with § 184.219.

(Sec. 2814, I. R. C.)

§ 184.189 *Registry of stills, Form 26.* Every person having in his possession or custody, or under his control, any still or distilling apparatus set up must register the same with the district supervisor for the district in which it is

located, on Form 26, immediately it is set up in accordance with the instructions on the form. Such registration shall be verified in the manner prescribed in § 184.160 with respect to notice on Form 27½.

(Secs. 2810, 3170, I. R. C.)

§ 184.190 *Plat and plans.* Every person intending to engage in the business of a fruit distiller must submit to the district supervisor with his notice, Form 27½, an accurate plat of the distillery premises and accurate plans of the buildings, apparatus, and equipment thereon, in triplicate, conforming to the requirements of Subpart K of this part.

(Secs. 2816, 3170, I. R. C.)

§ 184.191 *Statement of process.* There must be submitted to the district supervisor with the fruit distiller's original notice, Form 27½, a statement of process, in triplicate. Upon any change in the process, a new statement, in triplicate, must be filed with the district supervisor. Reference by date to the current statement of process must be incorporated in each annual notice, Form 27½. The statement of process should present a step by step description of the mashing, fermenting, distilling, purifying and refining processes used in the production of each type of brandy. It must show specifically the kind and approximate quantity or proportion of all nonalcohol producing materials or substances added to the distilling material for the purpose of providing yeast food or for inhibiting the action of wild yeast, or for any other purpose, and all materials used for purifying, refining or otherwise treating the spirits. Samples of any such material or substance will be prepared and furnished to the district supervisor, upon request, for analysis by Government chemists. Materials or chemicals which are volatile and would remain incorporated with the finished brandy after final distillation may not be used.

(Secs. 3170, 3254, I. R. C.)

§ 184.192 *Additional information.* The Commissioner or the district supervisor may at any time, in his discretion, require the proprietor of a fruit distillery to furnish such additional information as he may deem necessary.

§ 184.193 *Instruments and papers made part of regulations.* The terms, conditions, and instructions contained in instruments and papers required to be furnished by law or regulations are hereby made a part of this part as fully and to the same extent as if incorporated in this part.

SUBPART J—BONDS AND CONSENTS OF SURETY

§ 184.200 *General requirements.* Every person required to file a bond or consent of surety under this part shall prepare and execute it on the prescribed form, in triplicate, in accordance with this part and the instructions printed on the form, and shall submit it to the district supervisor.

(Secs. 2814, 2885, 2886, 2888, 3170, I. R. C.)

§ 184.201 *Surety or security.* Bonds required by this part shall be given with surety or collateral security: *Provided*, That in any case where the distiller operates an internal revenue bonded warehouse on the distillery premises, and the distiller's bond, Form 30½, is in the maximum penal sum of \$100,000, it may be accepted without surety if it is supported by the consent of the surety on the transportation and warehousing bond, Form 1571, which bond in such case shall be in the maximum penal sum of \$200,000. If bonds on Forms 30½ and 1571 in the maximum penal sums stated are not given, separate bonds on said forms, each with surety or security, must be given in sufficient penal sums.

(Secs. 2814, 2885, 2886, 2888, 3170, I. R. C.; sec. 1126, 44 Stat. 122; sec. 7, 49 Stat. 22; 6 U. S. C. 15)

§ 184.202 *Corporate surety.* Bonds may be given with corporate surety authorized by the Secretary of the Treasury to become surety on Federal bonds, subject to the limitations prescribed by the Secretary in Treasury Department Form 356, Commissioner of Accounts, Section of Surety Bonds, which is issued semiannually, and subject to such amendatory circulars as may be issued from time to time.

(Secs. 2814, 2885, 2886, 2888, 3170, I. R. C.; sec. 1, 28 Stat. 279; 6 U. S. C. 6; c. 109, 36 Stat. 241; 6 U. S. C. 8)

§ 184.203 *Two or more corporate sureties.* A bond executed by two or more corporate sureties shall be the joint and several liability of the principal and the sureties: *Provided*, That each corporate surety may limit its liability in terms upon the face of the bond in a definite, specified amount, which amount shall not exceed the limitations prescribed for such corporate surety by the Secretary, as set forth in Treasury Department Form 356. When the sureties so limit their liability, the aggregate of such limited liabilities must equal the required penal sum of the bond.

(Secs. 2814, 2885, 2886, 2888, 3170, I. R. C.; sec. 1, 28 Stat. 279; 6 U. S. C. 6; c. 109, 36 Stat. 241; 6 U. S. C. 8)

§ 184.204 *Powers of attorney.* Powers of attorney and other evidence of appointment of agents and officers to execute bonds on behalf of corporate sureties are required to be filed with, and passed upon by, the Commissioner of Accounts, Section of Surety Bonds, Treasury Department. Such powers and other evidence of appointment need not be filed with, or submitted to, district supervisors.

(Secs. 2814, 2885, 2886, 2888, 3170, I. R. C.; sec. 1, 28 Stat. 279; 6 U. S. C. 6; c. 109, 36 Stat. 241; 6 U. S. C. 8)

§ 184.205 *Individual sureties.* Bonds may be given with individual sureties, of which there must be not less than two, each of whom must qualify by executing Form 33, in triplicate. Individual sureties must be citizens of the United States and reside in the State in which the business of the principal is to be conducted. No person will be accepted as

an individual surety in a State in which he is not authorized to become a surety.

(Secs. 2814, 2885, 2886, 2888, I. R. C.)

§ 184.206 *Ownership of real property.* Each individual surety must own unencumbered real property, in fee simple, the appraised value of which, over and above any exemptions from execution allowed by the laws of the State, is equal to the penal sum of the bond. Such real property must be located within the State where the business of the principal is to be conducted.

(Secs. 2314, 2885, 2886, 2888, I. R. C.)

§ 184.207 *Description of real property.* The real property must be described in the surety's affidavit, Form 33, with all of the formalities required in conveyances of real estate by the laws of the State in which it is situated.

(Secs. 2814, 2885, 2886, 2888, I. R. C.)

§ 184.208 *Execution of Form 33.* The surety's affidavit on Form 33 shall contain all of the information required by this part and the instructions printed on the form. The form shall be subscribed and sworn to before an officer duly authorized to administer oaths, and one copy thereof shall be attached to each copy of the bond to which it relates.

(Secs. 2814, 2885, 2886, 2888, I. R. C.)

§ 184.209 *Certificate of title.* There must be submitted with the surety's affidavit, Form 33, a certificate of title, in triplicate, showing that the surety has a fee simple title, free of encumbrances, to the realty described in the form.

(Secs. 2814, 2885, 2886, 2888, I. R. C.)

§ 184.210 *Appraisal.* There will also be submitted with Form 33 an appraisal, in triplicate, by two or more competent persons designated by the district supervisor for the purpose, showing separately the value of the land and buildings, and a full and clear statement of the method employed by them in determining their valuation. The appraisal shall be at the expense of the principal on the bond, unless it is made by Government officers.

(Secs. 2814, 2885, 2886, 2888, I. R. C.)

§ 184.211 *Investigation.* The district supervisor will cause an investigation to be made of all the facts stated in the surety's affidavit on Form 33 and supporting documents.

(Secs. 2814, 2885, 2886, 2888, I. R. C.)

§ 184.212 *Requalification.* The Commissioner or district supervisor may at any time, in his discretion, require the requalification of individual sureties on Form 33.

(Secs. 2814, 2885, 2886, 2888, I. R. C.)

§ 184.213 *Interest in business.* The surety, whether individual or corporate, must have no interest whatever in the business covered by the bond.

(Secs. 2814, 2885, 2886, 2888, I. R. C.)

§ 184.214 *Deposit of collateral.* Bonds or notes of the United States, or other obligations which are unconditionally guaranteed as to both interest and principal by the United States, may

be pledged and deposited by principals as collateral security in lieu of individual or corporate sureties. District supervisors on receiving such bonds or notes, or other obligations, pledged and deposited by principals as collateral security in lieu of surety, shall deposit such securities, in accordance with the requirements of Department Circular No. 154, revised (31 CFR, Part 225).

(Sec. 1126, 44 Stat., 122; sec. 7, 49 Stat., 22; 6 U. S. C., 15)

§ 184.215 Consents of surety. Consents of surety to a change in the terms of a bond must be executed on Form 1533, in as many copies as are required of the bond which they affect, by the principal and all sureties with the same formality and proof of authority to execute as are required for the execution of bonds. Form 1533 will be used by obligors on collateral bonds as well as those on surety bonds. The Form 1533 must properly identify the bond affected thereby and state specifically and precisely what is covered by the extended terms thereof. If the surety is a corporation, the consent may be executed by an agent or attorney in fact duly authorized so to do by power of attorney filed by the surety with the appropriate district supervisor; or the consent may be executed by the home office officials of such corporate surety; except that, in cases where the saving of time is an element, the consent may be executed by an agent or attorney in fact where the home office officials, by specific direction, order its execution. A copy of such specific direction should be attached to each copy of such consent.

(Secs. 2814, 2885, 2886, 2888, I. R. C.)

§ 184.216 Approval required. No individual, firm, partnership, corporation, or association, intending to commence or to continue the business of a fruit distiller, shall commence or continue such business until all bonds in respect of such business required by any provision of law have been approved.

(Sec. 2815, I. R. C.)

§ 184.217 Authority to approve. District supervisors are authorized to approve all bonds and consents of surety required by this part.

(Secs. 2814, 2815, 3170, I. R. C.)

§ 184.218 Cause for disapproval. Bonds or consents of surety submitted by any individual, firm, partnership, corporation, or association, in respect to the business of a fruit distiller may be disapproved if the individual, firm, partnership, corporation, or association giving the same, or owning, controlling, or actively participating in the management of such business of the individual, firm, partnership, corporation, or association giving the same, shall have been previously convicted in a court of competent jurisdiction of (a) any fraudulent noncompliance with any provision of any law of the United States, if such provision relates to internal revenue or customs taxation of distilled spirits, wines, or fermented malt liquors, or if such an offense shall have been compromised with the individual, firm,

partnership, corporation, or association upon payment of penalties or otherwise; or (b) any felony under a law of any State, Territory, or the District of Columbia, or the United States, prohibiting the manufacture, sale, importation, or transportation of distilled spirits, wine, fermented malt liquor, or other intoxicating liquor. The fruit distiller's bond, Form 30½, may also be disapproved if the situation of the distillery is such as would enable the distiller to defraud the United States.

(Secs. 2814, 2815, I. R. C.)

§ 184.219 Additional or strengthening bonds. In all cases where the penal sum of the bond on file and in effect is not sufficient, computed as prescribed by law and this part, the principal may give an additional or strengthening bond in a sufficient penal sum, provided the surety thereon is the same as on the bond already on file and in effect; otherwise a new bond covering the entire liability will be required. Such additional or strengthening bonds, being filed to increase the bond liability of the principal and the surety, are in no sense substitute bonds, and the district supervisor will refuse to approve any additional or strengthening bond where any notation is made thereon intended, or which may be construed, as a release of any former bond, or as limiting the amount of either bond to less than its full penal sum. Additional or strengthening bonds must show the current date of execution and the effective date in the blank spaces provided therefor. Such bonds must have marked thereon, by the obligors at the time of execution, "Additional Bond," or "Strengthening Bond."

(Secs. 2814, 2885, 2886, 2888, I. R. C.)

§ 184.220 New bond. A new bond may be required at any time in the discretion of the Commissioner or district supervisor. A new bond shall be required immediately in the case of the death, or insolvency of an individual surety, or the insolvency of a corporate surety. Executors, administrators, assignees, receivers, trustees, or other persons acting in a fiduciary capacity, continuing or liquidating the business of the principal, must execute and file a new bond or obtain the consent of the surety or sureties on the existing bond or bonds. When, in the opinion of the Commissioner or the district supervisor, the interests of the Government demand it, or in any case where the security of the bond becomes impaired in whole or in part for any reason whatever, the principal will be required to give a new bond. Where a bond is found to be not acceptable, the principal shall be required to file immediately a new and satisfactory bond, or discontinue business forthwith.

(Secs. 2814, 2885, 2886, 2888, I. R. C.)

§ 184.221 Superseding bond. Where a new bond is submitted by the principal to supersede a bond or bonds then in effect, and such superseding bond has been approved, notice of termination of the superseded bond may be issued as provided in Subpart Q of this part. Superseding bonds must show the current date of execution and the date they

are to be effective and each such bond shall have marked thereon, by the obligors at the time of execution, "Superseding Bond."

(Secs. 2814, 2885, 2886, 2888, I. R. C.)

SUBPART K—PLATS AND PLANS

§ 184.230 Plat and plans required. Every person intending to engage in the business of a fruit distiller must, as provided in § 184.190, file an accurate plat and accurate plans of the distillery premises, apparatus, and equipment, in triplicate, with the district supervisor.

(Secs. 2816, 3170, I. R. C.)

§ 184.231 Preparation. Every plat and plan shall be drawn to scale and each sheet thereof shall bear a distinctive title, enabling ready identification. The cardinal points of the compass must appear on each sheet, except the elevational plans. The minimum scale of any plat will not be less than 1/80 inch per foot. Each sheet of the original plat and plans shall be numbered, the first sheet being designated number 1, and the other sheets numbered in consecutive order. Plats and plans shall be submitted on sheets of tracing cloth, opaque cloth, or sensitized linen. The dimensions of plats and plans shall be 15 by 20 inches, outside measurement, with a clear margin of at least 1 inch on each side of the drawing, lettering or writing. Plats and plans may be original drawings, or reproductions made by the "ditto process," or by blue or brown line litho-print, if such reproductions are clear and distinct.

(Sec. 2816, I. R. C.)

§ 184.232 Depiction of distillery premises. Plats must show the outer boundaries of the distillery premises by courses and distances, in feet and inches, in a color contrasting with those used for other drawings on the plat, and the point of beginning, with respect to its distance and bearings, from some near and well-known landmark, and must contain an accurate depiction of the building or buildings comprising the premises, and any driveway, public highway, or railroad right-of-way adjacent thereto, or connecting therewith. The depiction of the premises shall agree with the description in the notice, Form 27½. If the distillery premises consists of two or more lots or parcels of land, the condition of the title to which is not the same, each such lot or tract shall be separately depicted by courses and distances, in feet and inches, and such lots or parcels shall be delineated or cross-hatched in contrasting colors. If two or more buildings are to be used, the designated name of each shall be indicated, and all pipelines or other connections, if any, between the same, depicted. Where two or more buildings are used for the same purpose, the name of each building shall include an alphabetical designation, beginning with "A", and they shall be so shown on the plat. All first floor exterior doors of each building on the premises will be shown on the plat. Except as provided in § 184.239, all pipelines leading to or from the premises, the purpose for which used,

and the points of origin and termination will be indicated on the plat.

(Sec. 2816, I. R. C.)

§ 184.233 *Rectifying plant within 600 feet.* Where a fruit distillery is to be established on premises at a distance of less than 600 feet in a direct line from a rectifying plant, the plat must show the relative location of such premises, all pipelines and other connections, if any, between them, and the distance, in feet and inches, that they are from each other in a direct line. The outlines of the two premises must be shown in contrasting colors.

(Sec. 2819, I. R. C.)

§ 184.234 *Contiguous premises.* Where an internal revenue bonded warehouse, bonded winery, rectifying plant, or tax-paid bottling house, or other premises on which liquors are manufactured, stored, or sold, are contiguous to the distillery premises the plat must show the relative location of the distillery and such contiguous premises, and all pipelines, if any, and other connections between them. The outlines of such contiguous premises and the distillery premises must also be shown in contrasting colors.

§ 184.235 *Floor plans.* The plans shall include a floor plan of each floor of each building, showing the general dimensions of the rooms and floors, and the location of all doors, windows, and other openings, and how such openings are protected. All apparatus and equipment, except pipelines, must be shown in their exact location on the floor plans, and their designated use indicated. Pipelines may also be shown, if desired. In the case of stills, tanks, and similar equipment, the serial number and capacity shall also be shown.

(Sec. 2816, I. R. C.)

§ 184.236 *Elevational flow diagrams.* Elevational flow diagrams (plans) shall be submitted covering: (a) Distilling material system, (b) mashing and fermenting systems, (c) distilling system, and (d) the receiving tank and brandy deposit room system. Such diagrams or plans shall clearly depict all equipment in its relative operating sequence, and elevation by floors with all connecting pipelines, valves, flanges (except as provided in § 184.238), Government locks, measuring devices, etc. The elevation by floors on the diagrams may be indicated by horizontal lines representing floor levels. All the flow diagrams as a unit must show the flow of the distilling material and the resulting products, through the distilling material tanks, fermenters, sumps, stills, doublers, try boxes, and other equipment, and the deposit and removal of the finished spirits from the receiving tanks and the brandy deposit room, if any. All major equipment, fermenters, stills, etc., must be identified on these plans as to number and use. The elevational flow diagrams must be properly identified, and so drawn that all fixed pipelines, except those indicated by § 184.239 may be readily traced from beginning to end: *Provided*, That pipelines leading to and from other buildings on the same or con-

tiguous premises may be designated as to point of origin or termination. The direction of the flow of the spirits through the pipelines must be indicated on the flow diagram by arrows. Other types of plans that clearly depict the information required herein may be submitted in compliance with this section. Where another business is to be conducted within the same building, the district supervisor may require elevational plans of buildings.

(Sec. 2816, I. R. C.)

§ 184.237 *Pipelines in colors.* The pipelines must be shown on the plans in the colors in which they are required to be painted, as prescribed by § 184.145.

§ 184.238 *Location of valves, flanges, locks, etc.* All valves, flanges, and other connections in pipelines must be properly indicated on the plans: *Provided*, That where flanges, unions, or other connections in pipelines are brazed, welded, or otherwise permanently secured in such a manner as to constitute a continuous, single pipeline, the location of such flanges, unions, or other connections, and the manner of securing the same, need not be shown on the plans. The location of all Government locks required to secure the apparatus and equipment, and the doors of rooms and buildings, must be indicated on the plans by the symbol "GL" at the points where the locks are to be attached.

(Sec. 2816, I. R. C.)

§ 184.239 *Pipelines exempted.* Approved public or private utility service lines, such as sewers, electric or gas conduits or pipes, and approved sprinkler, refrigeration, or heating systems which have no connection with the distilling equipment or any apparatus or pipe line connected therewith, need not be shown on the plans, provided that the point of entry to the bonded premises shall be indicated on the plans.

(Sec. 2816, I. R. C.)

§ 184.240 *Certificate of accuracy.* The plat and plans shall bear a certificate of accuracy in the lower righthand corner of each sheet, signed by the distiller, the draftsman, and the district supervisor, substantially in the following form.

(Name of distiller)

(Address)

Approved -----
(Date)
Accuracy certified by:

(District supervisor)

(Name and capacity—
for the distiller)

(Draftsman)

19. Sheet No. -----
(Date)

(Sec. 2816, I. R. C.)

§ 184.241 *Revised plats and plans.* The sheets of revised plats and plans shall bear the same number as the sheets

superseded, but will be given a new date. Any additional plats and plans shall be given a new number in consecutive order, or will be otherwise numbered and lettered in such manner as will permit the filing of the plats and plans in proper sequence.

(Sec. 2816, I. R. C.)

SUBPART L—REQUIREMENTS GOVERNING CHANGES IN NAME, PROPRIETORSHIP, CONTROL, LOCATION, PREMISES AND EQUIPMENT, AND IN THE TITLE TO THE DISTILLERY PROPERTY OR THE ENCUMBRANCE THEREOF

§ 184.250 *General requirement.* Under the law, notice in writing must be given, in the form prescribed by the Commissioner, to the district supervisor in case of any change in the location, form, capacity, ownership, agency, superintendency, or in the persons interested in the business of the distillery.

(Secs. 2812, 3170, I. R. C.)

CHANGE IN INDIVIDUAL, FIRM, OR CORPORATE NAME

§ 184.251 *Amended notice, Form 27½, and amended basic permit.* Where there is a change in the individual, firm, or corporate name of the distiller, the distiller must submit to the district supervisor an amended notice on Form 27½, in triplicate, covering the new name, which notice must be approved before operations may be commenced under the new name. He must also procure from the district supervisor under the Federal Alcohol Administration Act an amended basic permit authorizing operation of the distillery under the new name.

(Secs. 2812, 2831, 2841, 2878, 3170, I. R. C.)

§ 184.252 *Amended articles of incorporation, etc.* Where there is a change in the corporate name of the distiller, he must submit to the district supervisor certified copies, in triplicate, of the amended articles of incorporation and the amended certificate of incorporation issued under the laws of the State in which incorporated, covering the change in the corporate name. If the operations are conducted in a State other than the State in which incorporated, there must also be submitted to the district supervisor certified copies, in triplicate, of the amended certificate issued under the laws of the State in which the operations are conducted authorizing the corporation to operate under its new name in such State. If other documents than those specified are required under the laws of the State to effect a change in the name of the corporation, certified copies, in triplicate, of such documents must be submitted with the notice, Form 27½, in lieu of those specified.

(Secs. 2812, 2878, 2831, 2841, 3170, I. R. C.)

§ 184.253 *Amended articles of copartnership or association.* Where there is a change in the name of the copartnership or association, the distiller will submit to the district supervisor certified copies, in triplicate, of the amended articles of copartnership or association, if any.

(Secs. 2812, 2831, 2841, 2878, 3170, I. R. C.)

§ 184.254 *Sign.* Where there is a change in the individual, firm, or corporate name, the distiller will change the distillery sign to conform to the provisions of § 184.105.

(Secs. 2812, 2831, 2841, 2878, 3170, I. R. C.)

§ 184.255 *Branding and warehousing.* Where there is a change in the individual, firm, or corporate name, the distiller will, upon receipt of the district supervisor's authorization, as provided in § 184.338, mark and brand and warehouse under such new name the finished spirits produced thereunder.

(Secs. 2812, 2831, 2841, 2878, 3170, I. R. C.)

§ 184.256 *Records.* Where there is a change in the individual, firm, or corporate name, the distiller will keep records and submit reports covering operations under the new name, as provided in § 184.718, in the case of operations under different trade names and styles.

(Secs. 2812, 2831, 2841, 2878, 3170, I. R. C.)

TRADE NAMES

§ 184.257 *Basic qualification required.* Where the distillery is to be operated under a trade name or style or under a number of trade names or styles, the distiller must file with the district supervisor, a letterhead application for approval of such name or names. The district supervisor will forward such application to the Bureau for action by the Commissioner. If the Commissioner finds that the name or names may be used, he will so advise the district supervisor. The distiller will be advised accordingly. He may then file with the district supervisor Form 27½ for permission to operate under the trade name (only one) specifying the date operations are to begin. The district supervisor's action will be in accordance with § 184.338.

§ 184.258 *Trade names certificate; amended articles of incorporation.* It will be the responsibility of the distiller to comply with all state laws by filing certified copies of trade names and amended articles of incorporation where required. If no such certificate, or amended articles of incorporation are required, the distiller will furnish a statement to that effect.

§ 184.259 *Sign.* The distillery sign must be changed to conform to the provisions of § 184.105, unless operation under the trade name is to be temporary, in which event, it will not be necessary to change such sign.

§ 184.260 *Branding and warehousing.* The finished spirits must be branded and warehoused under each trade name in which produced as provided in § 184.717.

§ 184.261 *Records.* Appropriate entries must be made in the distillery records covering operations under each trade name as provided in § 184.718.

§ 184.262 *Period of operations.* Where the distillery is operated under more than one trade name or style, the operation under each must be in multiples of 24 hours.

§ 184.263 *Subsequent operations.* The basic qualifying documents having

once been filed by the distiller and approved by the district supervisor, the distiller will qualify for subsequent operations, that is, changing from one trade name to another trade name, or from a trade name to the principal, or vice versa, in accordance with the procedure prescribed in § 184.308.

CHANGES IN PROPRIETORSHIP

§ 184.264 *Requirements for transfer.* Where there is to be a change in the proprietorship of the distillery, the outgoing distiller must, preparatory to transfer of the business to the successor, comply with the requirements of §§ 184.265 to 184.270.

(Secs. 2810, 2812, 2814, 2816, 2831, 2841, 2850, 2878, 3170, I. R. C.)

§ 184.265 *Notice, Form 27½.* If the outgoing distiller is to discontinue permanently the business of distilling spirits, he will file with the district supervisor Form 27½, in triplicate, stating thereon the purpose to be "Discontinuance of business," and giving the date of the discontinuance. If the outgoing distiller is to temporarily discontinue the business of distilling during operation of the distillery by the successor, the statement of the purpose on the notice shall conform to the provisions of § 184.305 (a).

(Secs. 2812, 2850, 3170, I. R. C.)

§ 184.266 *Registry of stills.* If the business is to be permanently discontinued, the distiller will file Form 26, in triplicate, in accordance with §§ 184.695 to 184.701.

(Secs. 2810, 3170, I. R. C.)

§ 184.267 *Notice of suspension.* The distiller will file with the district supervisor Form 124, in triplicate, in accordance with §§ 184.695 to 184.701.

(Secs. 2850, 3170, I. R. C.)

§ 184.268 *Finished brandy.* The distiller will draw off, brand and mark, and remove all finished brandy in the individual, firm, or corporate name, or trade name or style, under which they were produced.

(Secs. 2878, 3170, I. R. C.)

§ 184.269 *Materials and unfinished brandy.* If distilling materials and unfinished brandy are to be transferred to the successor, the distiller will file with the district supervisor Form 1614, in sextuplet, in accordance with §§ 184.745 and 184.746. If the unfinished brandy and distilling materials are not to be so transferred, the distiller will completely finish operations in accordance with the provisions of said sections.

(Secs. 2850, 2878, 3170, I. R. C.)

§ 184.270 *Records.* The distiller will make appropriate entries in the distillery records and submit reports in accordance with the provisions of § 184.748.

(Secs. 2841, 3170, I. R. C.)

§ 184.271 *Qualification of successor.* Where there is a change in proprietorship, and the successor intends to continue operation of the plant as a fruit distillery, he must comply with the requirements of §§ 184.272 to 184.278.

§ 184.272 *Lessee.* If the successor is a lessee, he must qualify in the same manner as the proprietor of a new distillery, regardless of the temporary nature of the tenancy, except that he may adopt the plat and plans of his predecessor as provided in § 184.276. The lessee must also file with the district supervisor certified copies in triplicate of the lease.

§ 184.273 *Other non-fiduciary successor.* If the change in proprietorship is brought about by any other means, except by the appointment of an administrator, executor, receiver, trustee, assignee, or other fiduciary, the successor must likewise qualify in the same manner as the proprietor of a new distillery except that he may adopt the plat and plans of his predecessor as provided in § 184.276.

§ 184.274 *Fiduciary.* If the successor is an administrator, executor, receiver, trustee, assignee, or other fiduciary, and intends to produce brandy, or to possess or dispose of brandy on hand in the distillery, he must comply with the provisions of Subparts D and I of this part to the extent that such provisions are applicable, except that in lieu of filing a new bond and new plat and plans, the fiduciary may furnish a consent of surety extending the terms of his predecessor's bond and adopt the plat and plans of such predecessor in accordance with §§ 184.275 and 184.276. The fiduciary must also furnish certified copies, in triplicate, of the order of the court or other pertinent documents showing his qualifications as such fiduciary. The effective date of the qualifying documents filed by a fiduciary should be the same as the date of the court order, or the date specified therein for him to assume control.

§ 184.275 *Consent of surety.* The consent of surety extending the terms of the predecessor's bond to cover operation of the distillery by a fiduciary must conform to the requirements of § 184.215, and be executed by both the fiduciary and surety.

§ 184.276 *Adoption of plat and plans.* The plat and plans of the distillery may be adopted by a successor where they correctly describe and depict the distillery premises and the buildings, apparatus, and equipment thereon, to be taken over by the successor. The adoption by a successor of the plat and plans of his predecessor shall be in the form of a certificate, in triplicate, in which shall be set forth the name of the predecessor, the address and registered number of the distillery, a description of the distillery premises, the number of each sheet comprising each plat and plan covered by such certificate, and a statement that the distillery premises, and the buildings, apparatus, and equipment thereon, are correctly described and depicted on such plat and plans.

(Secs. 2816, 3170, I. R. C.)

§ 184.277 *Sign.* The successor, if other than a fiduciary temporarily operating the distillery, must change the distillery sign to conform to the requirements of § 184.105.

(Secs. 2831, 3170, I. R. C.)

§ 184.278 *Materials and unfinished spirits.* If distilling materials and unfinished spirits are received by transfer from the predecessor, the successor must comply with the requirements of Subpart FF of this part.

(Secs. 2850, 3170, I. R. C.)

OTHER CHANGES IN PROPRIETORSHIP OR OF CONTROL

§ 184.279 *Changes in partnership.* The withdrawal of one or more members of a partnership or the taking in of a new partner, whether active or silent, shall constitute a change in proprietorship. Likewise, the bankruptcy or adjudicated insolvency of one or more of the copartners results in a dissolution of the partnership and, consequently, a change in proprietorship. Where such a change in proprietorship of the distillery occurs, the successor must qualify in the same manner as the proprietor of a new distillery, except that the successor may adopt the plat and plans of the predecessor as provided in § 184.276.

§ 184.280 *Changes in stockholders, officers, and directors of corporation.* The sale or transfer of the capital stock of a corporation operating a distillery does not constitute a change in the proprietorship of the distillery. However, where the sale or transfer of capital stock results in a change in the control or management of the business, or where there is any change in the officers or directors, the distiller must give notice thereof, in triplicate, to the district supervisor within 24 hours of such change. Mere changes in stockholders of corporations not constituting a change in control need not be so reported. The district supervisor must, in the case of changes in officers or directors, be furnished extracts, in triplicate, of the minutes of the meetings showing such changes.

(Sec. 2812, I. R. C.)

§ 184.281 *Reincorporation.* Where a corporation operating a distillery is reorganized and a new charter or certificate of incorporation is secured, the new corporation must qualify in the same manner as a new proprietor of the distillery, except that the new corporation may adopt the plat and plans of the predecessor as provided in § 184.276.

CHANGES IN LOCATION, PREMISES AND EQUIPMENT

§ 184.282 *Change in location.* Where there is a change in the location of the distillery premises, the distiller must comply with all applicable provisions of Subparts D to I of this part, inclusive, except that in lieu of the filing of a new distiller's bond, Form 30½, the distiller may furnish a consent of surety, Form 1533, in accordance with § 184.215, extending the terms of the distiller's bond given for the former location to cover operation of the distillery at the new location.

(Sec. 2812, I. R. C.)

§ 184.283 *Changes in premises.* Where the distillery premises are to be extended or curtailed, the distiller must file with the district supervisor an amended notice, Form 27½, and an amended plat of

the premises as extended or curtailed, except as herein specifically authorized in the case of alternate operations of the bottling department. If the plans are affected by the extension or curtailment, they must also be amended. If the distillery is within 600 feet of a rectifying plant, the distiller must also file a special application in accordance with §§ 184.62 and 184.63. The additional premises covered by an extension may not be used for distillery purposes, and the portion of the distillery premises to be excluded by a curtailment may not be used for other than distillery purposes, prior to approval of the notice, Form 27½. Where an internal revenue bonded warehouse containing a bottling-in-bond department is located on the distillery premises, and the documents required by Regulations 10 (25 CFR, Part 185), governing the alternate operation of the bottling house as a bottling-in-bond department and a tax-paid bottling house, are filed, and no change in proprietorship is involved, the filing of additional notices, Form 27½, covering changes in the temporary status thereof from time to time will not be required.

(Secs. 2812, 2815, 2816, 2819, 2873, 2904, 3170, 4041, I. R. C.)

§ 184.284 *Changes in construction and use.* Where a change is to be made in the construction of a room or building not involving an extension or curtailment of the distillery premises, or where a change is to be made in the use of any portion of such premises, the distiller shall first secure approval thereof by the district supervisor pursuant to application, in triplicate, setting forth specifically the proposed changes. If the changes involve buildings which are to be demolished or altered in such a manner as to decrease the value of the property, the application shall include: (a) The date of original purchase; (b) the name and address of the vendor; (c) the original cost; and (d) the present book value and method used in determining such value. Upon approval of the application, the changes will be made under the supervision of a Government officer, unless they are of such a nature as, in the opinion of the district supervisor, do not require such supervision. The completed changes will be reflected in the next amended or annual notice, Form 27½, and amended plans filed by the distiller, unless the district supervisor requires the immediate filing of an amended notice and amended plans. If the buildings to be demolished, or altered in such a manner as to decrease the value thereof, are on premises which have been eliminated from the distillery premises, a statement in writing, in triplicate, containing the data prescribed by items (a) through (d) for such buildings shall be furnished the district supervisor.

(Secs. 2812, 2816, 3170, I. R. C.)

§ 184.285 *Indemnity bond covering changes in buildings.* If buildings on the distillery premises, or on premises which have been eliminated from the distillery premises, are to be demolished or altered in such a manner as to decrease the value of the property, and a lien for

taxes exists on such property under section 2800 (e), I. R. C., the distiller must file with the district supervisor an indemnity bond, Form 1617, in triplicate, in a penal sum equal to the decrease in the value of the property: *Provided*, That, if such decrease in value is less than \$5,000, no indemnity bond will be required.

(Sec. 2800, I. R. C.)

§ 184.286 *Appraisal.* The amount of the decrease in the value of the property subject to the Government's lien which will be caused by the demolition or alteration of buildings shall be determined by appraisal by two or more competent persons designated by the district supervisor. The appraisers shall render to the district supervisor a report, in duplicate, of their appraisal, which shall include information as to the methods employed by them in determining their valuations. The appraisal shall be at the expense of the distiller, unless made by Government officers. The district supervisor may dispense with the formal appraisal when he has reason to believe that the value of the property concerned is less than \$5,000.

(Sec. 2800, I. R. C.)

§ 184.287 *Changes in equipment.* Where changes are to be made in the distilling apparatus and equipment, the distiller shall first secure approval thereof by the district supervisor pursuant to application, in triplicate, setting forth specifically the proposed changes: *Provided*, That, emergency repairs may be made under the supervision of the Government officer without prior approval of the district supervisor. If the distilling apparatus or equipment referred to in § 184.288 is to be removed, the distiller's application shall include information showing: (a) The date of original purchase; (b) the name and address of the vendor; (c) a description of the article, including model and serial numbers, if any; (d) original cost; (e) present book value and method used in determining such value; and (f) proposed disposition of the article. Where emergency repairs are made, the distiller shall file immediately a report thereof, in triplicate, with the district supervisor. Changes covered by an approved application will also be made under the supervision of the Government officer. Upon completion of any change made under his supervision, the Government officer will authorize the removal of the dismantled equipment, and the use of the new or repaired equipment, and submit a report, in triplicate, of the changes to the district supervisor.

(Secs. 2816, 3170, I. R. C.)

§ 184.288 *Indemnity bond covering removal of equipment.* If distilling apparatus or equipment on which a lien has attached under section 2800 (e), I. R. C., for taxes on brandy produced which have not been taxpaid or withdrawn for a tax-free purpose, is to be removed from the distillery premises without adding property that will become a fixture in law of an equal or greater value than the apparatus or equipment to be removed, the distiller must file with the

district supervisor an indemnity bond on Form 1617, in triplicate. Such bond must be in a penal sum equal to the value of the apparatus or equipment to be removed, or equal to the excess in value of the apparatus or equipment to be removed over the value of the property to be substituted therefor: *Provided*, That, if such value or difference in value, as the case may be, is less than \$5,000, no indemnity bond will be required. The value of the distilling apparatus or equipment to be removed, or the difference between the value of such old apparatus or equipment and the value of the new property to be added will be determined in the manner prescribed in § 184.286.

(Sec. 2800, I. R. C.)

§ 184.289 *Amended notice and plans covering changes in equipment.* Upon completion of changes in equipment which materially affect the accuracy of the Form 27½ or plans, the distiller must file an amended notice and amended plans. Where an amended notice and amended plans are not filed immediately upon completion of minor changes in equipment, such as general repairs, changes in pipelines, or the addition or removal of a tank, the distiller must include such changes in the next amended or annual notice, and amended plans to be filed by him. The Commissioner or the district supervisor may, at any time, in his discretion, require the immediate filing of an amended notice and plans covering any change in equipment.

(Secs. 2812, 2816, 3170, I. R. C.)

CHANGE IN TITLE TO DISTILLERY PROPERTY OR THE ENCUMBRANCE THEREOF

§ 184.290 *Change of title.* Where the title to the lot or tract of land upon which the fruit distillery is located is changed by a sale, judicial or otherwise, or where there is any change in the ownership of the premises or the distilling apparatus or equipment, subsequent to approval of distiller's bond, Form 30½, the distiller is no longer qualified. If the distiller desires to qualify for further operation of the distillery when such a change occurs, he must file an amended notice, Form 27½, together with the necessary consent, Form 1602, or, in lieu of such consent, an indemnity bond, Form 3-A. In addition to such amended notice and consent, Form 1602, or indemnity bond, Form 3-A, the district supervisor may, in his discretion, require the distiller to file a new distiller's bond, Form 30½.

(Secs. 2812, 2814, 2815, I. R. C.)

§ 184.291 *Encumbrance.* If subsequent to the approval of the distiller's bond, the lot or tract of land upon which the distillery is situated, or any part thereof, or any of the distilling apparatus or equipment becomes subject to, or encumbered by any mortgage, judgment, lien, or other encumbrance, the distiller must immediately file (a) an amended notice, Form 27½, (b) consent on Form 1602, or a proper indemnity bond, in lieu of such consent, and (c) a consent of surety on his present distiller's bond,

or a new distiller's bond, in lieu of such consent.

(Secs. 2812, 2814, 2815, I. R. C.)

SUBPART M—REQUIREMENTS GOVERNING OPERATION OF DISTILLERY UNDER ALTERNATING PROPRIETORSHIPS

QUALIFICATIONS FOR INITIAL ALTERNATING PROPRIETORSHIPS

§ 184.305 *Where no bonded warehouse on premises.* A fruit distillery may be operated under alternating proprietorships. Where it is desired to operate a fruit distillery under alternating proprietorships and there is no internal revenue bonded warehouse on the distillery premises, the successor (lessee) distiller must qualify as proprietor of the distillery in accordance with the provisions of §§ 184.264 to 184.278. At the time of the first suspension of the fruit distillery for operation under an alternating proprietorship, the outgoing (lessor) distiller must discontinue operations and comply with the following requirements:

(a) *Amended notice, Form 27½.* File with the district supervisor an amended notice on Form 27½, in triplicate, stating thereon the purpose of the notice to be "Temporary discontinuance in order that the fruit distillery may be operated by an alternate proprietor" and give the date of discontinuance.

(b) *Consent of surety.* File a blanket consent of surety, Form 1533, in triplicate, to continue in effect bond, Form 30½. Such blanket consent of surety may be filed to cover all such alternate operations and may be executed in the following form:

To continue in effect the said bond, whenever operation of the fruit distillery is resumed from time to time, pursuant to application on Form 1696, filed by the principal following suspension of operations by an alternate proprietor.

(c) *Materials and unfinished spirits.* If distilling materials and unfinished spirits are to be transferred to the successor, comply with the requirements of §§ 184.745, 184.746 and 184.748. Whenever the proprietorship is to be alternated after the first suspension, the procedure prescribed in §§ 184.307 and 184.308 will be followed.

§ 184.306 *Where bonded warehouse on premises.* Where an internal revenue bonded warehouse is located on the fruit distillery premises, the outgoing (lessor) distiller shall comply with the requirements of § 184.305. He shall also designate the plat on file which depicts the entire distillery premises, including the internal revenue bonded warehouse, as "Plat A" and file a new plat which will be designated as "Plat B" depicting the internal revenue bonded warehouse and any other portion of the distillery premises not to be operated by the lessee as a portion of the distillery. In addition, he shall describe in the amended notice, Form 27½, the bonded warehouse and any portion of the distillery premises not to be operated as a part of the fruit distillery. The description thereof must

correspond with the depiction of the premises on Plat B. Whenever the proprietorship is to be alternated after the first suspension, the procedure prescribed by §§ 184.307 and 184.308 will be followed.

SUSPENSION FOR SUBSEQUENT ALTERNATE PROPRIETORSHIPS

§ 184.307 *Requirements.* Where an alternate proprietor desires to suspend operations of the fruit distillery preparatory to resumption by another alternate proprietor, he must comply with the following requirements:

(a) *Notice of alternate operations.* File Form 1696, after proper execution of Parts 1 and 2, through the storekeeper-gauger in charge, with the district supervisor giving notice of intention to suspend operations. Two originals and six copies of the form shall be executed and filed in accordance with the instructions printed on the form, and shall contain or be verified by a written declaration that it is executed under the penalties of perjury. Operations may be suspended upon approval of the notice by the district supervisor in accordance with § 184.309.

(b) *Materials and unfinished spirits.* If distilling materials and unfinished spirits are to be transferred to the successor, the procedure prescribed by §§ 184.745, 184.746, and 184.748 must be followed.

(Sec. 3809, I. R. C.)

RESUMPTION FOR SUBSEQUENT ALTERNATE PROPRIETORSHIPS

§ 184.308 *Requirements.* Where an alternate proprietor desires to resume operation of the fruit distillery following suspension by another alternate proprietor, he must comply with the following requirements:

(a) *Notice of alternate operations.* File Form 1696, after proper execution of Parts 1 and 2, through the storekeeper-gauger in charge, with the district supervisor for authority to resume operations. The notice shall be executed in accordance with the instructions printed on the form, and otherwise completed as provided in § 184.307.

(b) *Materials and unfinished spirits.* If distilling materials and unfinished spirits are to be received from the predecessor, the procedure prescribed by §§ 184.745, 184.746, and 184.748 will be followed.

(Sec. 3809, I. R. C.)

ACTION BY DISTRICT SUPERVISOR

§ 184.309 *Approval and disposition of Form 1696.* Upon receipt of Form 1696, the district supervisor will, if he finds that the notice may properly be approved, execute the certificate of approval on all copies. He will return four copies to the storekeeper-gauger in charge, forward the two original copies to the Commissioner and retain two copies for his file. The storekeeper-gauger will retain two copies for his file and deliver a copy to each proprietor.

**SUBPART N—REQUIREMENTS GOVERNING
ALTERNATE OPERATIONS AS REGISTERED
DISTILLERY OR INDUSTRIAL ALCOHOL
PLANT**

**QUALIFICATION FOR INITIAL ALTERNATING
OPERATIONS**

§ 184.315 *Where no bonded warehouse on premises.* A fruit distillery may be operated alternately for the production of spirits under this part, the production of spirits under Regulations 4 (26 CFR, Part 183) or the production of alcohol under Regulations 3 (26 CFR, Part 182). Where it is desired to conduct alternating operations at a fruit distillery and there is no internal revenue bonded warehouse located on the distillery premises, the successor (incoming) proprietor must first qualify as proprietor of the distillery. At the time of the first suspension for the purpose of conducting alternate operations, the outgoing distiller must discontinue operations and comply with the following requirements:

(a) *Amended notice, Form 27½.* File with the district supervisor an amended notice on Form 27½, in triplicate, stating thereon the purpose of the notice to be "Temporary discontinuance in order that the fruit distillery may be operated as a registered distillery" (or industrial alcohol plant), and give the date of discontinuance.

(b) *Consent of surety.* File with the district supervisor a blanket consent of surety, Form 1533, in triplicate, to continue in effect bond, Form 30½. Such blanket consent of surety may be filed to cover all such alternate operations and may be executed in the following form: To continue in effect the said bond whenever operation of the distillery is resumed from time to time, pursuant to application on Form 1696, filed by the principal following suspension of operations as an industrial alcohol plant or registered distillery.

(c) *Materials, heads and tails and unfinished spirits.* If distilling materials are transferred to the successor or if heads and tails or unfinished spirits are to be retained on the premises pending the resumption of operations as a fruit distillery, comply with the requirements of §§ 184.726 to 184.730. Whenever alternate operations are to be conducted after the first suspension, the procedure prescribed by §§ 184.317 and 184.318 will be followed.

§ 184.316 *Where bonded warehouse on premises.* Where an internal revenue bonded warehouse is located on the fruit distillery premises, the outgoing distiller shall comply with the requirements of § 184.315. He shall also designate the plat on file which depicts the entire distillery premises, including the internal revenue bonded warehouse, as "Plat A," and file a new plat which will be designated as "Plat B," depicting the internal revenue bonded warehouse and any other portion of the distillery premises not to be operated by the incoming alternate distiller as a portion of the fruit distillery. In addition, he shall describe in the amended notice, Form 27½, the

bonded warehouse and any portion of the distillery premises not to be operated as a part of the fruit distillery. The description thereof must correspond with the depiction of the premises on Plat B. Whenever alternate operations are to be conducted after the first suspension, the procedure prescribed by §§ 184.317 and 184.318 will be followed.

**SUSPENSION FOR SUBSEQUENT ALTERNATE
OPERATIONS**

§ 184.317 *Requirements.* Where a distiller desires to suspend operations of the fruit distillery preparatory to resumption of operations as a registered distillery or industrial alcohol plant, he must comply with the following requirements:

(a) *Notice of alternate operations.* File Form 1696, after proper execution of Parts 1 and 2, through the storekeeper-gauger in charge, with the district supervisor giving notice of intention to suspend operations. Two originals and six copies of the form shall be executed and filed in accordance with the instructions printed on the form and shall contain or be verified by a written declaration that it is executed under the penalties of perjury. Operations may be suspended upon approval of the notice by the district supervisor in accordance with § 184.319.

(b) *Materials, heads and tails, and unfinished spirits.* If distilling materials are transferred to the successor or if heads and tails or unfinished spirits are to be retained on the premises pending the resumption of operations as a fruit distillery, comply with the requirements of §§ 184.726 to 184.730.

**RESUMPTION FOR SUBSEQUENT ALTERNATE
OPERATIONS**

§ 184.318 *Requirements.* Where a distiller desires to resume operation of the fruit distillery following suspension by another proprietor, he must comply with the following requirements:

(a) *Notice of alternate operations.* File Form 1696, after proper execution of Parts 1 and 2, through the storekeeper-gauger in charge, with the district supervisor for authority to resume operations. The notice shall be executed in accordance with the instructions printed on the form and otherwise completed as provided in § 184.317.

(b) *Materials.* If distilling materials are received by transfer from the predecessor, comply with the requirements of §§ 184.729 and 184.730.

(Sec. 3809, I. R. C.)

ACTION BY DISTRICT SUPERVISOR

§ 184.319 *Approval and disposition of Form 1696.* Upon receipt of Form 1696, the district supervisor will, if he finds that the notice may be properly approved, execute the certificate of approval on all copies. He will return four copies to the storekeeper-gauger in charge, forward the two original copies to the Commissioner and retain two copies for his file. The storekeeper-gauger will retain two copies for his file and deliver a copy to each proprietor.

**SUBPART O—ACTION BY DISTRICT
SUPERVISOR**

ORIGINAL ESTABLISHMENT

§ 184.325 *Special application.* Where a special application for permission to operate a fruit distillery within 600 feet of a rectifying plant is submitted by the distiller, and such special application conforms to the requirements of this part, the district supervisor will cause an inspection to be made to determine whether the proposed operation of the distillery within 600 feet of the rectifying plant may be permitted without jeopardy to the revenue. The inspector will ascertain whether the application accurately describes the relative location of the two premises and all pipelines and other connections, if any, between such premises. The inspector will also observe the surroundings, including all streets, roads and driveways connecting the two premises, and any condition which might endanger the revenue, and will describe the same in his report. If the district supervisor finds, upon consideration of the inspection report, that the distillery may be operated at the designated location without danger to the revenue, he will note his approval on all copies of the special application. He will then return one copy of the approved application to the applicant, retain the original for his files, and forward the remaining copy, together with a copy of the inspection report, to the Commissioner. Approval of the special application pertains to the location of the distillery only, and does not authorize the operation thereof. The distillery may not be operated until the distiller's bond and other qualifying documents required by law and this part have been filed and approved. If the special application is disapproved, the district supervisor will note his disapproval thereon and will return all copies of such application to the applicant, with advice as to the reasons for disapproval.

(Secs. 2819, 3170, I. R. C.)

§ 184.326 *Distillery fence application.* Where a special application for permission to construct and maintain a fence or wall of a greater height than 5 feet around the distillery is submitted, and such application conforms to the requirements of this part, the district supervisor will, if he finds that the construction and maintenance of such fence or wall is necessary to give adequate protection from trespassers, and that the revenue would not be endangered, note his approval on all copies of the special application, return one copy to the applicant, retain one copy, and forward one copy to the Commissioner with the distiller's notice, bond, and other qualifying documents. If the district supervisor finds that the construction and maintenance of such fence or wall is not necessary to afford protection from trespassers or that the revenue would be endangered thereby, he will note his disapproval on the special application and return all copies to the applicant with a statement of the reasons for disapproval.

(Secs. 2825, 2826, 3170, I. R. C.)

§ 184.327 Indemnity bond application. Where an application for permission to file an indemnity bond in lieu of the written consent of the owner of the distillery premises or apparatus or equipment, or of any mortgagee, judgment-creditor, conditional sales vendor, or other person having a lien thereon, is submitted by the distiller and such application conforms to the requirements of this part, the district supervisor will cause an investigation to be made of the facts upon which the application is based, and will designate two or more competent persons to make an appraisal of the value of the lot or tract of land on which the distillery is situated, the distillery, the buildings, and the distilling apparatus. The appraisal shall be made as provided in § 184.178. If the district supervisor finds, upon consideration of the appraisal and reports of investigation, that under the law and this part an indemnity bond may properly be accepted in lieu of the consent of the owner or lienor, and if he is satisfied that the valuation placed upon the distillery property by the appraisers is fair, he will note his approval on all copies of the application. He will then return one copy of the approved application to the applicant and retain the original for his files. He will forward the remaining copy of the application and copies of the reports of investigation and appraisal to the Commissioner at the time of forwarding the indemnity bond. If the application is disapproved, the district supervisor will note his disapproval thereon and will return all copies of such application to the applicant with a statement of the reasons for disapproval.

(Secs. 2815, 3170, I. R. C.)

§ 184.328 Examination of other qualifying documents. Upon receipt of notices, plat, plans, bond, consent (Form 1602), if any, or indemnity bond in lieu thereof, and other documents required by this part of persons intending to qualify as distillers, the district supervisor will examine the same to determine whether they have been properly executed, and whether they reflect compliance with the requirements of the law and this part. Where any required document has not been filed, or where errors or discrepancies are found in those filed, or where the documents filed do not reflect compliance with the requirements of the law and of this part, action thereon will be held in abeyance until the omission, or error, or discrepancy has been rectified, and there has been full compliance with all requirements.

§ 184.329 Inspection of premises. When the required documents have been filed in proper form, the district supervisor will assign an inspector to examine the premises, buildings, apparatus, and equipment, and determine whether they conform with the description thereof in the notice, plat and plans, and special applications, if any, and whether the construction and measures of protection afforded meet the requirements of the law and this part. The inspector will observe particularly the manner in which

the rooms or buildings on the premises are separated from each other and from other premises, means of communication, ingress and egress, adequacy of protection afforded windows, doors, and other openings, construction of apparatus and equipment, and the suitability of the Government office and facilities. The inspector will also make careful inquiry respecting the applicant's title to, or interest in, the lot or tract of land, the distillery, and the apparatus and equipment, in order to determine whether proper consents on Form 1602 of the owner and of any mortgagees, judgment-creditors, lienors, other encumbrancers, conditional sales vendors, or prior lessees, have been procured and submitted by the applicant. To this end, the inspector will examine the records in the office of the recorder of deeds or other office where titles and matters affecting titles are filed to verify the statements of the applicant respecting this title to, or interest in, the property. The inspector should require the applicant to submit for examination invoices, bills of sale, conditional sales contracts, leases, or other commercial papers for verification of the statements made on Form 27½ respecting his title to, or interest in, the apparatus and equipment. Where the inspection discloses minor irregularities in the qualifying documents or in the construction, the inspector will, at the time of their discovery, direct the attention of the applicant to the same in order that the applicant may correct the defects before completion of the inspection. Upon completion of the inspection, a report thereof will be submitted to the district supervisor.

§ 184.330 Report of inspection. The report of the inspection shall describe separately all irregularities and discrepancies found during the course of the inspection, and shall include a complete statement describing all unusual or special conditions. Where irregularities were corrected during the inspection, the report will indicate the corrections so made. The report need not describe in detail each description as set forth in the notice, plat, and plans. The description of buildings and equipment in the report should be general and brief. However, construction, equipment, signs, etc., which are not in conformity with law and this part, will be completely described. If there are any pipelines or other connections or openings between the bonded premises and other premises, the same shall be described in detail. There shall be further embodied in the report a statement as to whether or not another business is being conducted, or is intended to be conducted, on the bonded premises or in buildings thereon.

§ 184.331 Inaccurate documents. Where the district supervisor's examination, or the inspector's report, discloses discrepancies in the qualifying documents, the inaccurate or incomplete documents will be returned to the proprietor for correction. A record will be kept of all bonds so returned.

§ 184.332 Defective construction. Where it is found that the construction

of the distillery or its equipment does not conform to the requirements of the law and this part, the district supervisor will inform the proprietor concerning the defects, and further action will be held in abeyance pending correction thereof.

§ 184.333 Law violation record. Before approving any bond or consent of surety given by any individual, firm, partnership, corporation, or association, in respect to the business of a fruit distiller, the district supervisor will cause such inquiry or investigation as may be deemed necessary to ascertain whether such individual, firm, partnership, corporation, or association, or any person owning, controlling, or actively participating in the management of the business, has been convicted of, or has compromised, an offense of the nature specified in § 184.218. Where record is found of the conviction or the compromise of such an offense, the district supervisor may disapprove the bond or consent upon the basis of his findings: *Provided*, That if the bond or consent is disapproved, the principal may appeal the district supervisor's action to the Commissioner. Where an appeal is taken to the Commissioner, the district supervisor will furnish the Commissioner with full information respecting the reasons for disapproval including the nature and place of the offense, and the names of the offenders and the date of conviction or acceptance of an offer in compromise.

(Secs. 2815, 3170, I. R. C.)

§ 184.334 Approval of qualifying documents. If the district supervisor finds, upon examination of the inspection report, that the person seeking to qualify as a fruit distiller has complied in all respects with the requirements of law and this part, and if the distiller's bond (Form 30½) and the consent (Form 1602), if any, or the indemnity bond filed in lieu thereof may properly be approved under § 184.333, and if the applicant is entitled to a permit, he will assign a registry number to the fruit distillery in accordance with § 184.335, note his approval on all copies of the distiller's bond, consent or indemnity bond, notice, and plat and plans, and shall dispose of the qualifying documents and inspectors' reports in accordance with § 184.337. The issuance of a permit under the Federal Alcohol Administration Act should be withheld pending approval of the notice, bond, and other qualifying documents required by the internal revenue laws and this part.

(Sec. 3170, I. R. C.)

§ 184.335 Registry numbers. Fruit distilleries will be numbered serially in the order of their establishment. A separate series will be used for each State. Registry numbers heretofore assigned will be retained, and new distilleries will be assigned numbers in sequence thereto. Registry numbers previously assigned to discontinued distilleries will not be re-assigned to other distilleries. The same registry number will be continued whenever there is a change of proprietorship.

§ 184.336 Disapproval of qualifying documents. If the district supervisor finds that the applicant has not complied

In all respects with the requirements of the law and this part, or that the situation of the distillery is such as would enable the applicant to defraud the United States or that the bond should be disapproved under § 184.333, he will note his disapproval on the notice, Form 27½, and will dispose of the qualifying documents in accordance with § 184.337.

(Sec. 3170, I. R. C.)

§ 184.337 *Disposition of qualifying documents.* Where the district supervisor approves the qualifying documents, he will forward to the applicant one copy of the documents with the original of the basic permit issued under the Federal Alcohol Administration Act, forward to the Commissioner the originals of the qualifying documents and a copy of the basic permit issued under the Federal Alcohol Administration Act, together with copies of inspection reports, and retain one copy of the qualifying documents for the file of the applicant. If the qualifying documents are disapproved, the district supervisor shall note his disapproval on all copies of the notice with brief statements of his reasons therefor, and return to the applicant by registered mail one copy of the disapproved notice together with all copies of the qualifying documents, and all copies of the bond without action thereon. The district supervisor shall forward one copy of the disapproved notice to the Commissioner and will advise him fully respecting the disapproval thereof. He shall retain the remaining papers in his files. If the applicant is not entitled to a basic permit, the district supervisor will, upon disapproval of the application therefor, return all copies of the qualifying documents to the applicant without action thereon.

(Sec. 3170, I. R. C.)

CHANGES SUBSEQUENT TO ORIGINAL ESTABLISHMENT

§ 184.338 *Procedure applicable.* The provisions of §§ 184.325 to 184.337 respecting the action required of district supervisors in connection with the original establishment of distilleries will be followed to the extent applicable, where there is a change in the individual, firm, or corporate name of the distiller, or in the trade name or style or where the distillery is to be operated initially under a trade name or style or where there is a change in the proprietorship, location, premises, construction, apparatus and equipment of the distillery, or in the type of plant, or in the title to the distillery property, or where such property becomes subject to a mortgage, judgment, lien, or other encumbrance or where operations are permanently discontinued.

§ 184.339 *Indemnity Bond, Form 1617.* Where changes to be made in distillery buildings or former distillery buildings or distillery equipment are such as to require the filing of an indemnity bond on Form 1617, as provided in §§ 184.285 and 184.288, the district supervisor will, upon receipt of a satisfactory bond, note his approval thereon.

§ 184.340 *Applications and reports covering changes.* Where an application

covering changes in the distilling apparatus or equipment, or in the construction or use of a room or building, is approved by the district supervisor, he will retain one copy of the application and forward one copy to the distiller and one copy to the Commissioner; and, when reports covering changes in apparatus and equipment are received from Government officers in accordance with § 184.287, he will retain one copy and promptly forward one copy to the Commissioner. Similar disposition will be made of reports received from the distiller covering emergency repairs of distilling apparatus and equipment. Where changes in buildings, apparatus, or equipment are such as to require the filing of an indemnity bond, the district supervisor may approve the application, if he has approved the bond, and permit the changes in buildings, apparatus or equipment to proceed.

ANNUAL NOTICES AND BONDS, CONSENTS OF SURETY, AND ADDITIONAL AND SUPERSEDING BONDS

§ 184.341 *Procedure applicable.* The procedure prescribed in this subpart for the approval and disapproval of notices and bonds submitted in connection with the establishment of fruit distilleries will, to the extent applicable, govern the approval and disapproval of annual notices, consents (Form 1602) and bonds, consents of surety, and additional and superseding bonds.

SUBPART P—ACTION BY COMMISSIONER ORIGINAL ESTABLISHMENT

§ 184.350 *Review of documents.* The Commissioner will review the action of the district supervisor relating to the establishment of fruit distilleries and determine whether it is in conformity with the requirements of law and this part. If not, the Commissioner will advise the district supervisor as to the necessary action to be taken.

(Secs. 2814, 2815, 3170, I. R. C.)

CHANGES SUBSEQUENT TO ORIGINAL ESTABLISHMENT

§ 184.351 *Procedure applicable.* The provisions of § 184.350 respecting the action of the Commissioner in connection with the establishment of fruit distilleries will be followed to the extent applicable, where there is a change in name, or in the firm name, trade name or style or in the proprietorship, location, premises, construction, apparatus and equipment of the distillery or in the type of plant or in the title to the distillery property or where such property becomes subject to a mortgage, judgment, lien, or other encumbrance.

SUBPART Q—TERMINATION OF BONDS

§ 184.355 *Termination of distiller's bond.* The fruit distiller's bond (Form 30½) is an annual bond and, therefore, upon expiration of the period for which it is given automatically terminates as to spirits produced subsequent to such period. Such bonds may be terminated as to future production prior to expiration of the period for which given, (a) pursuant to application by the surety as provided in § 184.359, or (b) upon ap-

proval of a superseding bond or discontinuance of business by the principal. Application for notice of termination of a fruit distiller's bond upon approval of a superseding bond or discontinuance of the business must be filed in duplicate with the district supervisor.

(Sec. 2814, I. R. C.)

§ 184.356 *Termination of indemnity bond, Form 3-A.* Indemnity bonds (Form 3-A) given in lieu of the consent of the owner of the distillery premises or property and of any mortgagee, judgment-creditor, lienor, encumbrancer, conditional sales vendor, etc., to priority of the Government's lien for taxes and penalties and other interests, run for an indefinite period. Such bonds may be terminated as to liability for future operations of the distillery, (a) pursuant to application by the surety as provided in § 184.359, (b) upon approval of a superseding bond or discontinuance of business by the principal, (c) if the distiller (1) becomes the owner in fee unencumbered of the property covered by the bond or (2) files the consent of the owner or encumbrancer to priority of the Government's lien for taxes and penalties and other interests (as provided in §§ 184.174 to 184.176), or (d) if all spirits produced while such indemnity bond was in force are taxpaid or removed for lawful tax-free purposes. Application for notice of termination of such bonds upon approval of the superseding bond or discontinuance of the business or under conditions (c) and (d) of this section must be filed in duplicate with the district supervisor.

(Secs. 2800, 2815, I. R. C.)

§ 184.357 *Termination of indemnity bonds, Form 1617.* Indemnity bonds (Form 1617) given in connection with changes in buildings and equipment on which a lien had attached under section 2800 (e), I. R. C., may be terminated (a) upon approval of a superseding bond, or (b) upon taxpayment or removal for a lawful tax-free purpose of all spirits produced while the property covering which the indemnity bond was filed formed a part of the distillery premises and equipment. Application for notice of termination of such bonds must be filed in duplicate with the district supervisor.

(Secs. 2800, 2815, I. R. C.)

§ 184.358 *Termination of export bonds.* Bonds (Forms 547, 548, 657, and 658) given to cover the exportation, or the transportation for export, of spirits of not less than 180 degrees of proof, withdrawn from the distillery in tank cars for such purpose as provided in Subpart X of this part, will be terminated in accordance with the provisions set forth in Regulations 10 (26 CFR, Part 185) for the termination of such bonds when given to cover the exportation, or the transportation for export, of spirits withdrawn from internal revenue bonded warehouses.

(Secs. 2885, 2886, 2888, 3170, I. R. C.)

§ 184.359 *Application of surety for relief from bond.* A surety on any bond required by this part may at any time in writing notify the principal and the

district supervisor in whose office the bond is on file, that he desires after a date named, which shall be at least 60 days after the date of notification, to be relieved of liability under said bond. The notice shall be executed in triplicate by the surety, who shall deliver one copy to the principal and the other two copies to the district supervisor, who will retain one copy and transmit the remaining copy to the Commissioner. If such notice is not thereafter in writing withdrawn, the rights of the principal as supported by said bond shall be terminated on the date named in the notice, and the surety shall be relieved (a) in the case of a distiller's bond (Form 30½) from liability for brandy produced wholly subsequent to the date named in the notice, (b) in the case of indemnity bonds (Form 3-A) from liability for operations of the distillery wholly subsequent to such date, and (c) in the case of export bonds (Forms 547, 548, 657, and 658) from liability for brandy withdrawn for export wholly subsequent to such date. This notice may not be given by an agent of the surety unless it is accompanied by a power of attorney, duly executed by the surety, authorizing him to give such notice, or by a verified statement that such power of attorney is on file with the Department. The surety must also file with the district supervisor an acknowledgement or other proof of service of such notice on the principal.

§ 184.360 Action on application for notice of termination of distiller's bond. When an application for notice of termination of a fruit distiller's bond as to future production is filed with the district supervisor in a case where a superseding bond has been approved, or the principal has discontinued business, as provided in § 184.355, the district supervisor will make a complete examination of records to determine whether there is any liability then due and payable outstanding against the bond. He will also ascertain from the collector of internal revenue whether there are any outstanding, unpaid assessments or demands for taxes on spirits produced under the bond. If it is found that violations of law or regulations occurred during the period covered by the bond and that penalties incurred or fines imposed have not been paid, or that outstanding assessments, or demands for payment of taxes, chargeable against the bond, have not been paid or otherwise settled, the district supervisor will disapprove the application, unless the liability is settled. If the district supervisor finds that the fruit distiller's bond may properly be terminated, he will issue notice of termination thereof in accordance with § 184.362.

(Sec. 3170, I. R. C.)

§ 184.361 Action on application for notice of termination of indemnity bond. When an application for notice of termination of an indemnity bond (Form 3-A), as to future operations of a fruit distillery, is filed with the district supervisor in a case where a superseding bond has been approved, or the principal has discontinued business as provided in §§ 184.356 to 184.357, the district

supervisor will take action in accordance with the procedure prescribed in § 184.360, in the case of an application for the termination of a fruit distiller's bond. When an application for notice of termination of an indemnity bond (Form 1617) covering changes in buildings or equipment is filed with the district supervisor, he will make a complete inquiry to determine whether all spirits the tax on which constituted the lien in relation to which the bond was given, have been tax-paid or removed for a lawful tax-free purpose. If the district supervisor finds that the bond may properly be terminated, he will issue notice of termination thereof, in accordance with § 184.362.

(Sec. 3170, I. R. C.)

§ 184.362 Notice of termination. When the district supervisor has determined that an application for the termination of a fruit distiller's bond (Form 30½) as to liability for future production, or of an indemnity bond (Form 3-A) as to liability for future operations of the fruit distillery, or an indemnity bond (Form 1617) as to future liability, may properly be approved, he will execute Form 1490, where a superseding bond has been approved, or Form 1491, where the principal has discontinued business, in quadruplicate (in quintuplicate if there are two sureties), and will forward the original to the Commissioner, one copy to each obligor on the bond, and retain one copy on file with the bond to which it relates.

(Sec. 3170, I. R. C.)

§ 184.363 Release of collateral. The release of collateral pledged and deposited with the United States to support bonds required by this part will be in accordance with the provisions of Department Circular No. 154, revised (31 CFR, Part 225), subject to the conditions governing the issuance of notices on Forms 1490 and 1491 of the termination of such bonds. Collateral pledged and deposited to support a fruit distiller's bond (Form 30½) or an indemnity bond (Form 3-A) will not be released by the district supervisor until all spirits produced while such bonds were in force and effect have been tax-paid or removed for a lawful tax-free purpose. Accordingly, collateral may not be released while spirits produced under such bonds remain in any internal revenue bonded warehouse. When an application for release of collateral deposited in support of a fruit distiller's bond (Form 30½) or an indemnity bond (Form 3-A) is received by the district supervisor, he will determine whether all spirits produced at the distillery while the bond was in effect have been withdrawn from warehouse and all outstanding liabilities settled, prior to taking action upon the application. Collateral pledged and deposited to support in indemnity bond (Form 1617) covering changes in buildings and equipment may be released by the district supervisor upon approval of a superseding bond or upon tax payment or removal for a lawful tax-free purpose of all spirits the tax on which constituted the lien in relation to which the bond was given. Collateral pledged and

deposited to support direct export bonds, or transportation for export bonds will ordinarily be released by the district supervisor upon issuance of notice of release of the bond, Form 1491.

(Sec. 3170, I. R. C.; sec. 1126, 44 Stat. 122; sec. 7, 49 Stat. 22 (6 U. S. C. 15))

SUBPART R—MANUFACTURE OF BRANDY

KINDS OF MATERIALS AND BRANDIES

§ 184.370 Kinds of materials. Distillers operating under the provisions of this part must manufacture brandy exclusively from apples, peaches, grapes, oranges, pears, pineapples, apricots, berries, plums, pawpaws, papayas, cantaloups, persimmons, prunes, figs, cherries, dates, or citrus fruits (except lemons and limes), or from residues or products of such fruits and berries, or from grape wine, citrus-fruit wine, peach wine, cherry wine, berry wine, apricot wine, plum wine, prune wine, pear wine, pawpaw wine, papaya wine, pineapple wine, cantaloup wine, or apple wine, in the manufacture of which artificial sweetening may have been used, or from the fruit pomace residuum of such grape wine, or from grape cheese where not more than 500 gallons of a sugar solution made from cane, beet, starch, or corn sugar, 95 percent pure, and having a saccharine strength of not to exceed 10 percent, is added to not less than 500 gallons (10 barrels) of such cheese.

(Sec. 2825, I. R. C.)

§ 184.371 Kinds of brandies for fortification of wine. The kinds of brandies that may be produced for the fortification of wine are those made exclusively from grapes, citrus fruits (except lemons and limes), peaches, cherries, berries, apricots, pawpaws, papayas, cantaloups, pineapples, prunes, plums, pears, or apples, or from the products or the residues of such fruits and berries, or from grape wine, cantaloup wine, citrus-fruit wine, peach wine, pawpaw wine, papaya wine, pineapple wine, cherry wine, berry wine, apricot wine, prune wine, plum wine, pear wine, or apple wine, in the manufacture of which artificial sweetening may have been used under the limitations prescribed in Regulations 7 (26 CFR, Part 178), or the fruit pomace residuum of such grape wine. Brandy may not be produced from grape cheese and a sugar solution for the fortification of wine.

(Secs. 2825, 3032, I. R. C.)

§ 184.372 Artificial coloring. Brandies produced in accordance with the provisions of § 184.371 may be used for the fortification of wine, notwithstanding that they may have been artificially colored with burnt sugar or caramel under the limitations prescribed in Subpart T of this part.

(Sec. 3036, I. R. C.)

COMMENCEMENT OF OPERATIONS

§ 184.373 Notice, Form 125. Before commencing operations at the distillery, the distiller shall file with the district supervisor notice on Form 125, in duplicate, specifying the date on which he desires to commence operations. This notice must be filed in time to enable

the district supervisor to assign a storekeeper-gauger to apply the required locks and seals, or, in the case of a previously operated distillery, to remove Government locks from the furnace doors of the stills or from valves controlling the flow of steam or fuel to the stills, and to connect the machinery, and, if deemed necessary, to supervise operations. If the distiller's bond, Form 30½, has been approved and the storekeeper-gauger has found the plant and equipment in proper condition, the distiller may commence operations at the time specified in the notice.

(Secs. 2850, 3170, I. R. C.)

§ 184.374 Assignment of storekeeper-gaugers. The constant presence of storekeeper-gaugers at fruit distilleries will not be required. The district supervisor may, however, where the extent of operations or other circumstances warrant, assign one or more storekeeper-gaugers to constant duty at such distilleries. Where new distilleries are established, storekeeper-gaugers should be assigned to constant duty thereat for a limited period. Ordinarily, storekeeper-gaugers will be assigned to visit fruit distilleries at intervals for the purpose of gauging and supervising the withdrawal of brandy. At distilleries where operations are not such as to require the daily attendance of a storekeeper-gauger, the district supervisor will assign an officer to visit the distillery not more often than twice a month to gauge the spirits and supervise the redistillation of singlings: *Provided*, That the district supervisor may assign an officer to visit the distillery at more frequent intervals for such purposes where the location of the distillery is such that he can do so without undue expense to the Government, or where the quantity of brandy produced is such as to make the retention of 15 days' production in the receiving and singlings tanks inadvisable. As provided in § 184.137, the receiving and singlings tanks shall be of sufficient capacity to permit storekeeper-gaugers to be so assigned. When notices of commencement of operations are received, the district supervisor will assign storekeeper-gaugers in time to prevent unnecessary delays to distillers.

(Secs. 3042, 3170, I. R. C.)

§ 184.375 Examination of distillery. Upon arrival at a distillery intending to commence operations, storekeeper-gaugers will, prior to the actual commencement of operations, examine the distillery, the apparatus and equipment, the receiving tanks, etc., and determine that all valves, flanges, and other connections which would afford access to spirits are properly equipped for locking or are brazed, welded, or otherwise secured, and that all doors and other openings in the receiving and brandy deposit rooms, if any, are protected in the manner prescribed by this part. The storekeeper-gauger will apply Government locks wherever the same are required, and will complete Form 125, in duplicate, deliver one copy to the distiller, and forward the original to the district supervisor.

DISTILLING MATERIALS

§ 184.376 Weighing materials received. Distillers will weigh, or, in the case of liquids, weigh or measure, all materials received on the distillery premises for use in the production of brandy. Where wine is received by pipeline, or in tanks, tank trucks, or tank cars, the material must be run into a measuring tank, measured as to quantity and tested as to alcoholic content, except that where the wine used as distilling material is received from a winery operated by the distiller on contiguous premises, and such wine is measured and tested in distilling material measuring tanks installed on the winery premises, it need not be again measured and tested on the distillery premises if it is to be immediately distilled. In such case, the wine must be conveyed by pipeline direct from the measuring tanks on the winery premises to the chargers of the stills, or to sumps from which it will be immediately pumped into the chargers. The distilling material measuring tanks may, as provided in § 184.92, be located on such contiguous winery premises where all distilling material used is procured therefrom. Any properly calibrated tank on the winery premises may be used as a distilling material measuring tank.

(Sec. 2841, I. R. C.)

§ 184.377 Remeasurement of wine. Where wine is not to be distilled immediately upon receipt, it may be transferred to distilling material storage tanks, but when used it must be again tested as to alcoholic content and, unless the quantity used is accurately measured by the chargers of the stills, it must be transferred to a measuring tank and the quantity correctly determined.

(Sec. 2841, I. R. C.)

§ 184.378 Record of materials received. The distiller shall enter all materials received on the distillery premises for the production of brandy on Form 15. Where wine, or brandy for redistillation, is received the alcoholic content thereof will also be entered on the form. If champagne or other sparkling wine, or artificially carbonated wine, is received for use as distilling material, the entry of receipt will include information as to the kind of wine.

(Secs. 2841, 2883, I. R. C.)

§ 184.379 Addition of water. The distiller may add as much water as he may desire to wine for the purpose of economical distillation. Water must not be added to wine received, prior to determination of the alcoholic content. Where water is added to wine intended for use as distilling material after it is transferred to distillery measuring tanks located on contiguous winery premises operated by the distiller, the quantity and alcoholic content of such wine will be determined by the distiller after the addition of the water and so entered on Form 15. Unless the attenuated material is immediately distilled, it must be again tested as to alcoholic strength before distillation, as provided in § 184.384.

(Sec. 2841, I. R. C.)

§ 184.380 Non-fermentable materials. No non-fermentable materials may be added to the wine or other distilling material for the purpose of providing yeast food, or for inhibiting the action of wild yeast or bacteria, or for any other purpose, unless the use of such materials is covered by the statement of process, as provided in § 184.191. No chemicals or other materials, such as essences, flavors, coloring matter, etc., which are volatile and would remain incorporated in the brandy when the manufacture thereof is complete may be added to the wine or other distilling material, or to the spirits at any stage of production, except as otherwise provided in this part.

(Sec. 3254, I. R. C.)

§ 184.381 Materials crushed for fermenting. The distiller will weigh all materials crushed for fermenting, and will enter the same on Form 15. The quantity of fermented material produced will also be determined and entered on the form.

(Sec. 2841, I. R. C.)

§ 184.382 Sweetened grape cheese. Where grape cheese is sweetened for fermentation as distilling material the limitations set forth in § 184.370 must be observed. If it is desired to add water as well as sugar solution to the grape cheese, the sugar solution must be added first, as the quantity of sugar solution which may be used is limited in proportion to the quantity of cheese and not the quantity of cheese and water. The grape cheese may be sweetened once only. The quantity of sugar received, and the quantity of sugar and sugar solution used, will be reported on Form 15.

(Secs. 2841, 2825, I. R. C.)

§ 184.383 Verification of quantity of alcoholic content of materials received. Where a storekeeper-gauger is assigned to the distillery, he will from time to time personally verify the accuracy of the distiller's determination of the quantity and alcoholic content of wine received for use as distilling material and of brandy received for redistillation, and the weight or quantity of other materials received and used for producing distilling material. Where no officer is in daily attendance at the distillery, the district supervisor will cause the accuracy of the distiller's entries on Form 15 to be verified by Government officers from time to time.

(Sec. 2883, I. R. C.)

§ 184.384 Distilling material tested and measured before use. The distiller will provide an approved ebulliometer, small still, or other suitable instrument for determining the alcoholic content of distilling material. The following ebulliometers have been approved by the Commissioner for such use: Arnaldo-Sala (with shield), Braun, Juerst, L'Ebulliometer Levesque (with shield), Lefco, Malligand Type (with shield), Salleron-Dujardin, "TAG" (with shield), and E. B. Torino (with shield). The Arnaldo-Sala, L'Ebulliometer Levesque, Malligand Type, "TAG," and E. B. Torino have

been approved subject to the condition that they will be used in connection with a shield to protect them from drafts or air currents. The Commissioner may authorize the use of other equally accurate instruments for determining the alcoholic content of distilling material. Such instruments shall be made available for use by Government officers for verifying the distiller's tests, as hereinafter required. District supervisors will cause the accuracy of such instruments in use at distilleries to be checked from time to time. When using such instruments distillers and Government officers must follow closely the instructions furnished therewith, in order that accurate determinations may be made. The distiller shall determine the alcoholic content of each lot of distilling material by means of such an approved ebulliometer or other instrument, immediately prior to distillation, and shall at such time also determine accurately, by means of the distilling material measuring tanks, the number of gallons of distilling material to be distilled. The kind, quantity, and alcoholic content of the material distilled will be entered by the distiller on Form 15. The distiller will also compute and enter on Form 15 the calculated yield for each lot of material distilled.

(Secs. 2808, 2841, I. R. C.)

§ 184.385 Verification of distiller's tests. Where a storekeeper-gauger is on duty at the distillery, he will verify the distiller's tests of the distilling material and will see that the proper quantity of such material and the correct percentage of alcohol contained therein are entered on Form 15. Where no officer is in daily attendance at the distillery, the district supervisor will cause such tests of the distilling material to be made from time to time by Government officers as may be necessary to insure accurate reporting of the item.

184.386 Qualification prerequisite to operation. No wine, or brandy for redistillation, may be received or materials fermented or brandy produced on the distillery premises until proper bond and other required qualifying documents have been filed and approved.

(Sec. 2832, I. R. C.)

DISTILLATION

§ 184.387 Continuous process required. The process of distillation employed must be such that the brandy will pass through continuous, closed stills, pipes, and vessels from the time the vapors rise in the first still until the finished brandy is deposited in locked receiving tanks provided for that purpose. The distiller may, in the course of manufacture, carry his product through as many distilling operations as he may desire, provided the process is closed and continuous. Distilling processes are deemed to be continuous where the brandy is carried through the various steps from the beer still to the receiving tanks as expeditiously as normal, efficient plant operation will permit in the manufacture of a finished product of standard quality. The collection of high and low wines (heads and tails) for the

purpose of redistillation is not deemed to be a break in the continuity of the distilling process, but such brandy, when so collected, should be redistilled promptly when a sufficient quantity has been accumulated to permit efficient redistillation. Where brandy is percolated through oak chips or otherwise treated before deposit in the receiving tanks, the retention of the brandy in tanks temporarily, pending such treatment, is permissible, but no larger quantities of brandy may be so held than is necessary for operation of the percolators. The distilling process is held to be completed when the brandy is deposited in the receiving tanks.

(Secs. 2863, 3254, I. R. C.)

§ 184.388 Continuous distillation. Where singlings are redistilled in a closed, locked still, as defined in § 184.135, they may be conveyed directly through closed pipes from the first still to the redistilling unit or they may be run into singlings tanks and thence to the redistilling unit. When so handled, all openings in the redistilling unit through which access may be had to the spirits must be securely locked. Singlings thus conveyed into a closed, locked still may be redistilled without supervision of a storekeeper-gauger and without gauging and recording on Form 15 prior to redistillation, but they must be redistilled during the month in which they are produced, unless the quantity remaining on hand at the end of the month is ascertained and recorded on Form 15.

§ 184.389 Collection of singlings for redistillation. Where, under the process of distillation employed, singlings are separated and collected for redistillation otherwise than as provided in § 184.388, such singlings shall be run through closed pipes from the still into locked singlings tanks, in which they shall remain until released by the storekeeper-gauger for redistillation under his supervision.

§ 184.390 Gauging of singlings. Where singlings are collected for redistillation otherwise than in a closed, locked still as provided in § 184.388, they need not be gauged (measured and proofed) by the storekeeper-gauger before being released from the singlings tanks for redistillation. Singlings produced each month must be redistilled as expeditiously as possible. They may not be accumulated from month to month, but singlings produced during one month may be mixed with the production for the succeeding month for redistillation if the quantity on hand at the close of the month is first ascertained.

§ 184.391 Redistillation of singlings. When the singlings have been released by the storekeeper-gauger, they shall be run, by means of closed pipelines, direct from the singlings tank into the still, or the distilling material sump, or the chargers of the still, or the distilling material pipeline leading to the still. Where the singlings are run into the distilling material sump, or the chargers of the still, or the distilling material pipeline leading to the still, such sump or charger

or pipeline must be closed and the operations must take place at the time the distilling material is being run into the still and the singlings thus mixed with the distilling material and distilled with the same. The singlings will be run into the still, or distilling material sump, or chargers of the still, or distilling material pipeline, and redistilled, under the immediate supervision of the storekeeper-gauger.

§ 184.392 Record of singlings. The quantity of singlings on hand at the close of the month will be gauged by the storekeeper-gauger before the tenth day of the month following the month of production. Such quantity will be entered by the distiller on Form 15 rendered for the month of production.

(Sec. 2841, I. R. C.)

§ 184.393 Distillation requiring supervision. Fortified wines received for the production of dealcoholized wine containing less than one-half of 1 percent of alcohol by volume, and fortified wine which became unfit for use as wine prior to the removal from the winery premises, champagne, or other sparkling wine, and artificially carbonated wine, received for use as distilling material, must be distilled under the supervision of a Government officer. Where brandy is received for redistillation, the distillation thereof must also be under the supervision of a Government officer.

(Secs. 2883, 3031, 3037, I. R. C.)

§ 184.394 Request for assignment of officer. When it is desired to distill such wines or to redistill brandy, and there is no officer on duty at the distillery, the distiller will request the district supervisor to assign an officer to supervise the distillation. This request must set forth the time it is desired to begin distillation, the kind and approximate quantity of wine to be distilled or brandy to be redistilled, and the time that will be required for distillation. The request must be filed with the district supervisor in ample time for an officer to be detailed to such duty. If an officer is on duty at the distillery, the request to supervise the distillation will be filed with such officer.

(Secs. 2883, 3031, 3037, I. R. C.)

§ 184.395 Duty of officer. The officer supervising the distillation of such wine, or brandy for redistillation, will, before distillation is commenced, determine the kind, quantity, and alcoholic content of the material to be distilled and will see that such data are properly entered on Form 15. The officer will then supervise the distillation, and upon completion thereof will submit a report to the district supervisor showing the kind, quantity, and alcoholic content of the wine or brandy distilled.

(Secs. 3031, 3037, I. R. C.)

§ 184.396 Heads and tails. Distillates containing one-half of 1 percent or more of aldehydes, or 1 percent or more of fusel oil, known as "heads" and "tails," separated in the course of distillation, will be run into locked tanks, as provided in § 184.420.

(Sec. 2916, I. R. C.)

LOCKING OF DISTILLERY

§ 184.397 *When to be locked.* Whenever spirits are contained in any place in the distillery other than under Government lock in the receiving room or brandy deposit room, or package store-room within the brandy deposit room, the distillery building or portion thereof in which such spirits are contained must be kept securely locked by the distiller in the absence of himself or his agents. The locks used by the distiller to secure doors, windows, or other openings of the distillery building, or portions thereof, in which spirits are so contained, must be such as will, in the opinion of the district supervisor, safeguard the spirits against illegal removal.

§ 184.398 *Keys of distillery locks.* The distiller shall furnish the district supervisor as many keys to the locks provided for securing the entrance door or doors of the distillery building, or portions thereof, which are required to be locked, as may be deemed necessary by the district supervisor from time to time, in order that the distillery or any portion thereof may be accessible at any time to Government officers authorized to enter and inspect the premises.

TREATMENT OF SPIRITS IN COURSE OF DISTILLATION

§ 184.399 *Rectification.* The law provides that every person shall be regarded as engaged in the business of rectifying who rectifies, purifies, or refines distilled spirits by any process other than by original and continuous distillation from mash, wort, or wash through continuous, closed vessels and pipes until the manufacture thereof is complete. A distiller may, therefore, carry his product through as many processes of distillation as he may desire without becoming liable as a rectifier, provided the process is continuous (as defined in § 184.387), commencing with the distillation of the fermented material, and the product of distillation is carried through continuous, closed vessels and pipes until the finished product is deposited in the receiving tanks: *Provided*, That the redistillation of spirits received in bond from an internal revenue bonded warehouse or another distillery pursuant to provisions of this part shall not constitute rectification.

(Secs. 2883, 3254, I. R. C.)

§ 184.400 *Purifying or refining spirits.* Under the law, distillers are allowed to purify or refine distilled spirits in the course of original and continuous distillation, through any material which will not remain incorporated with such spirits when the manufacture thereof is complete. The apparatus to be used for purifying or refining in a distillery must be arranged and constructed as required by this part.

(Sec. 3254, I. R. C.)

§ 184.401 *Percolation through oak chips.* Brandy may be percolated through or treated with oak chips which have not been treated with any chemical, upon approval of the process by the Commissioner. The apparatus to be used

for percolating brandy must be arranged and constructed as required by this part. (Sec. 3254, I. R. C.)

§ 184.402 *Samples before and after treating.* Where the distiller has been authorized to introduce materials or substances into brandy during the course of original and continuous distillation for the purpose of purifying or refining the brandy, or where he has been authorized to introduce oak chips into the brandy, the district supervisor will cause storekeeper-gaugers to procure samples of such brandy, both before and after processing, when the process is first used and thereafter from time to time. The samples will be forwarded to the Government chemist for analysis. The chemist will furnish a report thereof, in duplicate, to the district supervisor, who will forward one copy to the Commissioner. (Sec. 3254, I. R. C.)

§ 184.403 *Disposition of substances used for treating brandy.* Materials used for purifying or refining brandy, and oak chips introduced into the brandy, will be thoroughly washed, steamed, or otherwise treated to extract the brandy therefrom before removal from the process. Upon removal, the materials must be burned in the distillery furnace or in the distillery yard. If such burning is not practicable, due to the type of furnace in use, fire regulations, or to other valid reason, such materials must be treated with kerosene before the removal thereof from the distillery premises. Where kerosene is used, it must be sprayed or sprinkled on the materials, using not less than 1 gallon of kerosene to each 100 pounds of materials, in such manner as to preclude the abstraction of potable brandy from any part of the entire mass after the materials are removed from the distillery premises. Such burning or treating of materials must be done under the supervision of the Government officer. The Commissioner may authorize any other disposition of the materials as will effectually prevent recovery of spirits therefrom.

DEPOSIT OF SPIRITS IN RECEIVING TANKS

§ 184.404 *Immediate deposit required.* All brandy produced must be deposited immediately upon completion of manufacture in securely locked receiving tanks. Brandy produced and conveyed into receiving tanks each month must be kept separate in such tanks until gauged by the storekeeper-gauger and removed on or before the 10th day of the succeeding month. The spirits must be deposited in separate receiving tanks according to class (brandy, spirits—fruit) and type (grape brandy, apple brandy, peach brandy, etc.).

COMPARISON OF ACTUAL YIELD WITH CALCULATED YIELD

§ 184.405 *Abnormal differences to be investigated.* The storekeeper-gauger will verify the distiller's computation of the calculated yield from the materials distilled and will compare the same with the quantity of spirits produced therefrom. Where the difference between the calculated yield and the actual yield is more than that determined

by experience to be the normal difference for the particular plant, the storekeeper-gauger will make a thorough inquiry to determine the reason or reasons therefor, and will make a full report of his findings to the district supervisor. If the findings of the officer do not fully explain the discrepancy, the district supervisor will cause such further investigation to be made as may be deemed advisable.

§ 184.406 *Distiller's responsibility.* Distillers will be held responsible for producing a quantity of spirits equal to that contained in the material distilled, less the actual deficiency resulting in distillation. District supervisors will carefully check the returns of distillers as to production and, where the difference between the calculated yield and the actual yield is more than that determined by experience to be the normal difference for the particular plant, they will investigate any excessive deficiency in production thus disclosed, unless such deficiency is satisfactorily explained in reports submitted by Government officers on duty at or detailed to visit the plant. Where, in any case, the facts indicate that brandy has been produced and not accounted for, the district supervisor will proceed in accordance with Subpart Z.

DISPOSITION OF RESIDUE OF DISTILLING MATERIAL

§ 184.407 *Authorized use of such residue.* The undistilled residue of distilling material (wine lees and cheese) may be removed from distilleries for use as fertilizer or other byproduct, providing the liquid is expressed from the material before removal and it is not received on any winery or other distillery premises.

§ 184.408 *Removal.* Where a storekeeper-gauger is assigned to the distillery the material will be removed in his presence. The distiller will make appropriate entry on Form 15 of the removal of such material. If disposed of to other persons, the names and addresses of such persons should be reported on Form 15. (Sec. 2841, I. R. C.)

DESTRUCTION OF DISTILLING MATERIAL UNFIT FOR DISTILLATION

§ 184.409 *Inspection.* When the distiller reports that he has on hand any distilling material which has become unfit for distillation and which he desires to destroy, the storekeeper-gauger will inspect such material for the purpose of determining whether it is actually unfit for distillation. Where no officer is assigned to the distillery, the distiller will request the district supervisor, in writing, to detail an officer to supervise destruction of the material, stating the kind, quantity, alcoholic content, and condition of the material. The district supervisor will detail an officer to inspect the material and, if found unfit for distillation, to supervise its destruction, unless the quantity involved is, in the judgment of the district supervisor, insufficient to justify the visit of an officer, in which event the district supervisor may, in writing, authorize the distiller to destroy the material without supervision.

§ 184.410 *Report of destruction.* The material must not be destroyed until it is inspected by a Government officer, unless destruction without supervision is authorized by the district supervisor. When the material is found by an inspecting Government officer to be useless for distillation, he will supervise destruction thereof and submit a report of his action to the district supervisor. The destruction of the material will be entered by the distiller on Form 15.

(Sec. 2841, I. R. C.)

§ 184.411 *Destruction of wine.* Wine removed from a bonded winery free of tax for use as distilling material may not be destroyed at a distillery unless the wine tax is first paid thereon by the distiller, or it is determined by chemical analysis that the wine is unfit for use.

(Secs. 3030, 3037, I. R. C.)

SUBPART S—COLLECTION AND REMOVAL OF DISTILLATES, BRANDY UNFIT FOR BEVERAGE PURPOSES, DISTILLED WATER, FUSEL OIL, AND CARBON DIOXIDE GAS

COLLECTION, REMOVAL FOR DENATURATION OR DESTRUCTION OF CERTAIN DISTILLATES, AND VOLUNTARY DESTRUCTION OF BRANDY UNFIT FOR BEVERAGE PURPOSES

§ 184.420 *General.* Fruit distillers may collect in locked tanks provided in accordance with § 184.131, distillates containing one-half of 1 percent or more of aldehydes or 1 percent or more of fusel oil, commonly known as "heads" and "tails," removed in the course of distillation. Such distillates may be removed from the distillery for denaturation or destroyed on the distillery premises, under the immediate supervision of the storekeeper-gauger assigned to the distillery or another Government officer designated by the district supervisor for the purpose. When so denatured or destroyed, such distillates shall not be subject to the tax imposed by law upon distilled spirits. Such distillates so collected in fruit distilleries may be drawn into casks, barrels, or other containers and stored in the brandy deposit room of the distillery where produced, pending removal for denaturation or destruction. Brandy which, during the process of distillation or after deposit in the receiving tanks, is found to be unfit for use for beverage purposes may be voluntarily destroyed as provided by this subpart; and when such brandy is so destroyed no tax is collectible thereon.

(Secs. 2901, 2916, 3170, I. R. C.)

§ 184.421 *Collection of distillates.* Distillates containing one-half of 1 percent or more of aldehydes, or 1 percent or more of fusel oil, collected in locked tanks at fruit distilleries shall be removed from such tanks for denaturation or destroyed or transferred to the brandy deposit room within 30 days from the date of the commencement of the collection thereof, unless the distillates are to be shipped for denaturation and the quantity collected in such tanks during such period is insufficient for a carload shipment (but not over 10,000 wine gallons), in which event the distiller may continue to accumulate such distillates in such tanks until a sufficient quantity

for a carload shipment has been so collected: *Provided*, That no such distillates shall be held at the distillery for a period exceeding 90 days, unless the distillates are transferred to the brandy deposit room.

(Sec. 2916, I. R. C.)

§ 184.422 *Samples by distiller.* Distillers may procure, in accordance with the procedure prescribed in Subpart W, a requisite number of samples of such distillates and brandy that appears to be unfit for beverage purposes for laboratory analysis to determine that they contain the required percentage of aldehydes or fusel oil, or are unfit for beverage purposes.

(Sec. 2916, I. R. C.)

§ 184.423 *Aldehydes and fusel oil not to be mixed with spirits.* Where aldehydes or fusel oil, as distinguished from heads and tails, are drawn from column stills and run into separate tanks, such aldehydes and fusel oil may not be mixed with spirits for the purpose of making such spirits eligible for destruction or denaturation free of tax.

(Sec. 2916, I. R. C.)

§ 184.424 *Application.* Whenever the distiller desires to remove any distillate containing one-half of 1 percent or more of aldehydes or 1 percent or more of fusel oil to a denaturing plant for denaturation or to destroy it or to draw it into packages and store it in the brandy deposit room of the distillery pending removal for denaturation or destruction, he shall make application, in triplicate, to the district supervisor for permission so to do. The application will be made on Form 1577 if the distillate is to be destroyed immediately upon being drawn from the tanks in which collected, Form 1578 if the distillate is to be removed to a denaturing plant for denaturation immediately upon being drawn from the tanks in which collected, Form 1578-A if the distillate is to be drawn into packages and stored in the brandy deposit room pending removal for denaturation or destruction, or Form 1578-B if previously filled packages of the distillate are to be removed from the brandy deposit room for denaturation or destruction. Where the distiller desires to destroy brandy which is purportedly unfit for beverage purposes, he will make application to the district supervisor on Form 1577, in triplicate, properly modified, and shall specify the kind of brandy; the proof; the proof gallons; the name, address and registry number of the distillery; the date of distillation; serial numbers of the tanks or other receptacles in which such brandy is contained; and the condition of the brandy which renders it unfit for beverage purposes. Where a storekeeper-gauger is assigned to the distillery application on Form 1577, 1578, or 1578-A will be submitted through such officer. Application on Form 1578-B will, in all cases, be filed direct with the district supervisor.

(Sec. 2916, I. R. C.)

§ 184.425 *Samples by storekeeper-gauger.* Where application on Form 1577, 1578, or 1578-A is submitted

through the storekeeper-gauger assigned to the distillery, the storekeeper-gauger will, upon receipt of the application, inspect the distillate or brandy to determine the correctness of the distiller's statements. The officer will obtain a 1-pint sample or, if deemed necessary, a 1-quart sample, from each tank or other receptacle, label each sample for proper identification, note on each copy of the application the serial number of the sample, the serial number of the tank or other receptacle from which the samples were removed, and the date of removal. The samples will be forwarded, with a letter of transmittal, in duplicate, to the district chemist at the expense of the distiller. Where an application is filed for destruction of brandy unfit for beverage purposes, the storekeeper-gauger will prepare and forward to the district supervisor a report of the condition of the brandy as disclosed by his inspection. The inlet of each tank or receptacle must be closed and locked and the contents thoroughly agitated before a sample is taken. The inlet, outlet, and all other openings of the tank will be secured with Government locks pending analysis of the sample and action on the application.

(Sec. 2916, I. R. C.)

§ 184.426 *Analysis of samples.* The district chemist will analyze each sample to determine the percentages of aldehydes or fusel oil and alcohol present in the distillates, or the condition of the brandy that would render it unfit for beverage purposes, and will submit to the district supervisor a report of his analysis, in duplicate.

(Sec. 2916, I. R. C.)

§ 184.427 *District supervisor's order to gauge.* If the chemist's report shows that the distillate contains one-half of 1 percent or more of aldehydes or 1 percent or more of fusel oil, or that the brandy is unfit for beverage purposes, the district supervisor will execute his order to the storekeeper-gauger on Form 1577, 1578, or 1578-A, directing him to gauge the distillate and supervise destruction thereof, or the removal thereof for shipment to the denaturing plant named in the application upon presentation of proper permit, or the storage thereof in packages in the brandy deposit room pending removal for denaturation or destruction, as the case may be; or, in the case of brandy found to be unfit for beverage purposes, directing the storekeeper-gauger to gauge such brandy and authorizing the destruction thereof by the distiller under the supervision of the storekeeper-gauger. The district supervisor will forward all copies of the application, with one copy of the chemist's report, to the storekeeper-gauger assigned to the distillery or detailed to visit the distillery for such purpose.

(Sec. 2916, I. R. C.)

§ 184.428 *Disapproval of application.* If the report of the Government chemist shows that the distillate contains less than the required percentage of aldehydes or fusel oil, or that the brandy proposed for destruction is fit for beverage purposes, the district supervisor will

disapprove the application and return one copy to the distiller and one copy to the storekeeper-gauger, if any, at the distillery, accompanied by a statement of the reasons for disapproval.

(Sec. 2916, I. R. C.)

§ 184.429 *Distillates or brandy not meeting requirements for denaturation.* Where distillates are of insufficient proof for denaturation, or contain less than the required percentage of aldehydes or fusel oil, or where brandy proposed for destruction is found to be fit for beverage purposes, they may, for the purpose of further distillation, be returned to the still through pipelines constructed as provided in § 184.131. Should the distiller still desire to remove or destroy the distillates after such redistillation, a new application and new samples must be submitted in accordance with §§ 184.424 and 184.425.

(Sec. 2916, I. R. C.)

§ 184.430 *Gauge of distillate or brandy.* The storekeeper-gauger will gauge the distillates authorized to be removed for denaturation or destruction, or the brandy authorized to be destroyed. The details of gauge will be entered on Form 1520 which will be prepared in triplicate if the brandy or the distillate is to be immediately destroyed or if the distillate is to be drawn into packages for storage in the brandy deposit room, and in quintuplicate if the distillate is to be immediately removed for denaturation. An extra copy of Form 1520 will be prepared when the distillate is to be shipped to a denaturing plant in another district.

(Sec. 2916, I. R. C.)

§ 184.431 *Marking and branding of packages.* When the distillate is drawn into packages either for immediate removal for denaturation or for storage in the brandy deposit room pending removal for denaturation or destruction, such packages shall be marked and branded in the same manner as packages of other spirits are required to be marked and branded when removed from the distillery for deposit in a bonded warehouse, except that (a) the kind of spirits shall be designated by the words "Impure Spirits—For Denaturation," plainly and durably stenciled or marked on the head of the package in letters not less than three-fourths inch in height; (b) the phrase "Contains _____% Aldehydes," or "Contains _____% Fusel Oil," or "Contains _____% Aldehydes and _____% Fusel Oil," shall also be plainly and durably stenciled or marked on the head of the package following the words "Impure Spirits—For Denaturation"; and (c) the proof at which the spirits were distilled need not be placed upon the package. Where the distillate is to be stored in the brandy deposit room the words "For Denaturation" need not be placed upon the packages unless and until they are removed for shipment to a denaturing plant.

(Sec. 2916, I. R. C.)

§ 184.432 *Storage in packages.* Such distillates drawn into packages for storage in the brandy deposit room will be immediately placed in such room. The

storekeeper-gauger will then execute his report on Part 3 of all copies of Form 1578-A and will forward one copy of the form, with a copy of Form 1520 attached, to the district supervisor, retain one copy of each form on file, and deliver one copy of each to the distiller.

(Sec. 2916, I. R. C.)

§ 184.433 *Transfer to storage tanks.* Distillates containing one-half of 1 percent or more of aldehydes, or 1 percent or more of fusel oil, may be transferred by pipe line from the heads and tails tanks in which originally collected to heads and tails storage tanks in the brandy deposit room and stored therein pending removal for denaturation or destruction. Heads (aldehyde distillate) and tails (fusel oil distillate) may not be transferred to the same storage tank. The distillate may be transferred to storage tanks only after laboratory analysis, made by or for the distiller, of a representative sample of the contents of each tank to be transferred has shown that the distillate contains the required percentage of aldehydes or fusel oil. Reports of laboratory analyses shall be available for inspection by Government officers, and the distillates shall be transferred under the immediate supervision of the storekeeper-gauger. Such distillates stored in tanks in the brandy deposit room shall be removed for destruction or denaturation pursuant to application on Form 1577 or Form 1578, in accordance with the procedure for the removal of such distillates from the tanks in which originally collected.

(Sec. 2916, I. R. C.)

§ 184.434 *Period of storage in brandy deposit room.* Distillates containing one-half of 1 percent or more of aldehydes or 1 percent or more of fusel oil stored in the brandy deposit room of the fruit distillery must be removed therefrom and shipped to a denaturing plant for denaturation or destroyed within 30 days after the suspension of distilling operations for the season or for a period of 30 days or more: *Provided*, That where the distillery is not so suspended the Commissioner may require removal of the distillate at such times as he may deem proper.

(Sec. 2916, I. R. C.)

§ 184.435 *Removal of previously filled packages.* When the distiller desires to remove previously filled packages of such distillate from the brandy deposit room for destruction or for shipment to a denaturing plant for denaturation, he will file application therefor with the district supervisor on Form 1578-B, in triplicate as provided in § 184.424. If the application is approved, the district supervisor will execute his order on Part 2 thereof, and will forward or deliver all copies to the storekeeper-gauger or other Government officer designated to supervise the removal of the distillate for denaturation or destruction, as the case may be. Packages will not be regauged upon removal from the brandy deposit room for denaturation or destruction, unless they bear evidence of loss. Where the packages are removed on the filling gauge for denaturation, the

storekeeper-gauger will prepare two copies of Form 1520 if the denaturing plant to which they are to be shipped is located in the same district, and three copies if it is located in another district. The necessary details will be copied from the report of the filling gauge. If any package is regauged upon removal from the brandy deposit room, the number of copies of Form 1520 specified in § 184.430 will be prepared.

(Secs. 2916, 3170, I. R. C.)

§ 184.436 *Destruction of distillate or brandy.* The distillate or brandy authorized to be destroyed may be run into the sewer or destroyed by other suitable means. The destruction must be accomplished under the immediate supervision of the storekeeper-gauger, who will then execute his report on Part 3 of Form 1577 or Part 3 of Form 1578-B, as the case may be, and will attach to each copy of Form 1577 a copy of the report of gauge. No copies of Form 1520 will be attached to Form 1578-B, except where packages bearing evidence of loss are regauged. The storekeeper-gauger will forward one copy of Form 1577, with Form 1520 attached, or Form 1578-B, to the district supervisor, retain one copy of each form on file and deliver one copy of each to the distiller.

(Sec. 2916, I. R. C.)

§ 184.437 *Release for denaturation.* The distillate may be removed for shipment to a denaturing plant for denaturation pursuant to a special permit issued by the district supervisor on Form 1464, authorizing the denaturer to procure the same. The storekeeper-gauger will not release the distillate for shipment until the distiller has presented to him such special permit for examination. The distillate must be drawn into packages and gauged, marked, and branded as provided in §§ 184.430 and 184.431, unless previously so packaged for storage in the brandy deposit room, or gauged and run into railroad tank cars in accordance with the provisions of § 184.438, and immediately removed from the distillery premises, under the personal supervision of the storekeeper-gauger. When such impure spirits are removed from the distillery for denaturation they must, in each instance, be shipped to a denaturing plant. Such spirits may not be shipped to an alcohol plant or an alcohol bonded warehouse, nor may they after receipt at a denaturing plant be redistilled or used for any purpose other than for denaturation.

(Sec. 2916, I. R. C.)

§ 184.438 *Removal in tank cars.* The removal of such distillate in railroad tank cars from the distillery to the denaturing plant for denaturation shall be in accordance with the procedure (insofar as applicable) and under the conditions governing the removal and transfer of other spirits in bond in such tank cars, as prescribed in this part. The markings prescribed in § 184.431, respecting the kind of spirits and the percentage of aldehydes or fusel oil therein, shall be added to the label the storekeeper-gauger is required to affix to such

tank cars of spirits before they are released.

(Sec. 2916, I. R. C.)

§ 184.439 *Report of shipment to denaturing plant.* When such distillates are released from the distillery for transportation to the denaturing plant, the storekeeper-gauger will execute his report on Part 3 of Form 1578 or Part 3 of Form 1578-B, as the case may be, and will attach to each copy of Form 1578 a copy of the report of gauge. No copies of Form 1520 will be attached to Form 1578-B, except where packages bearing evidence of loss are regauged. The storekeeper-gauger will forward one copy of Form 1578, with Form 1520 attached, or Form 1578-B, to the supervisor of the district from which the shipment is made, retain one copy of each form on file, deliver one copy of each form to the distiller, forward one copy of Form 1520 to the proprietor of the denaturing plant and one copy to the storekeeper-gauger at the denaturing plant. Where the denaturing plant is in another district the extra copy of Form 1520 provided for in §§ 184.430 and 184.435 will be forwarded to the supervisor of such district.

(Sec. 2916, I. R. C.)

§ 184.440 *Action at denaturing plant.* Upon receipt at the denaturing plant the distillate will be inspected and gauged and the loss, if any, reported, in accordance with the provisions of Regulations 3 (26 CFR, Part 182).

§ 184.441 *Losses of distillates or brandy.* The procedure prescribed by §§ 184.650 to 184.660 will be followed in connection with losses of such distillates or brandy while on the premises of a registered fruit distillery. The liability of the distiller to tax on such distillates removed for denaturation shall continue until they have been deposited in the denaturing plant.

(Secs. 2901, 2916, I. R. C.)

§ 184.442 *Use for denaturation.* If the impure spirits are of improper proof for denaturation, they may be mixed with other spirits of higher proof at the denaturing plant in order to obtain the required proof for denaturation.

(Sec. 2916, I. R. C.)

§ 184.443 *Distiller's records.* Distillates containing one-half of 1 percent or more of aldehydes or 1 percent or more of fusel oil, collected for destruction or for removal for denaturation, will be included by the distiller in the inventory of singlings reported on Form 15 until gauged and destroyed or removed for denaturation, whereupon appropriate entries will be made on such form covering the disposition of such distillates. After actual destruction the distiller will take appropriate credit at a special line on Form 15 for brandy authorized to be destroyed as unfit for beverage purposes. Distillates produced during one month may not be mixed with those produced in the succeeding month without prior ascertainment of the quantity on hand at the close of the month.

(Sec. 2916, I. R. C.)

§ 184.444 *District Supervisor's Account.* An account of losses of distillates containing one-half of 1 percent or more of aldehydes or 1 percent or more of fusel oil shall be kept on Form 1691, "District Supervisor's Account of Losses of Alcohol or Distilled Spirits." The account shall show all the information as indicated in the heading and by the various columns and as required by instructions issued in respect thereto and by this part.

(Secs. 2916, 3176, I. R. C.)

COLLECTION AND REMOVAL OF DISTILLED WATER

§ 184.445 *Collection.* If distilled water is collected at the distillery, it must be run into storage tanks provided in accordance with § 184.133, and retained therein until drawn off and removed as provided in §§ 184.446 to 184.448.

§ 184.446 *Removal.* Distilled water must be drawn off into barrels or other containers prior to removal from the distillery premises: *Provided,* That such water may be transferred off the distillery premises to contiguous plants operated under internal revenue laws, including tax-paid bottling houses, by means of an independent pipeline constructed and installed in accordance with the provisions of § 184.133. Distilled water must under no circumstances be drawn off or removed through the receiving room or brandy deposit room or bonded warehouse. Barrels or other wooden containers in which distilled spirits were previously packaged may not be used for the removal of distilled water.

§ 184.447 *Marking of packages.* If distilled water is drawn into packages for removal from the distillery premises, such packages must be marked by the distiller with his name, distillery number, location (city or town and State), the words "Distilled Water," and the date of removal, in distinct and legible letters.

§ 184.448 *Supervision of removal.* All distilled water when drawn into packages for removal or when removed by pipeline must be inspected by the storekeeper-gauger and removed under his immediate supervision. The distiller will note on Form 15 all removals of distilled water, including the name and address of the consignee.

COLLECTION TEST AND REMOVAL OF FUSEL OIL

§ 184.449 *Collection.* If fusel oil is collected at the distillery, it must be run into locked storage tanks provided for the purpose in accordance with § 184.129, and retained therein until tested and removed from the distillery premises or transferred to storage tanks.

§ 184.450 *Storage.* Where fusel oil is transferred from the tanks in which it is collected in the course of distillation to storage tanks for temporary storage pending removal from the distillery premises, it must be tested as provided in §§ 184.451 to 184.455 immediately before being deposited in the storage tanks and immediately before being drawn therefrom into shipping containers.

§ 184.451 *Removal.* The removal of fusel oil from the distillery will be permitted upon compliance with the requirements of §§ 184.452 to 184.459.

§ 184.452 *Washing and purifying.* Where fusel oil is to be removed, it must first be thoroughly washed and purified and before being removed from the storage tank must be well mixed and a sample drawn from each tank into a test tube to be provided by the proprietor for use by the storekeeper-gauger in determining whether the oil is substantially free from alcohol.

§ 184.453 *Test tube.* The tube used in testing fusel oil prior to removal must be of glass, bulb-shaped, and closed at one end, having a graduated scale marked upon the glass in degrees from 0 near the top to 100 near the swell of the bulb. The bulb shall contain three times as much liquid as that portion of the tube which is graduated from 0 to 100.

§ 184.454 *Test.* In the testing of fusel oil prior to removal, after the tube has been filled with saturated salt solution up to the mark 100, oil shall be added until the tube is filled to the mark 0. The oil and saturated salt solution shall then be thoroughly mingled by violently agitating the contents of the tube. If, after sufficient time has been allowed for the oil to separate fully from the saturated salt solution and resume its position at the top of the tube, the scale shall show that not more than 10 degrees or 10 percent of the oil has disappeared or been dissolved in the saturated salt solution, the oil shall be passed as merchantable, that is to say, containing so small a quantity of alcohol as to remove all practical possibility of recovering the same, but if over 10 degrees of oil disappears, the oil shall not be considered as sufficiently purified, and may not be removed in that condition.

§ 184.455 *Saturated salt solution.* The saturated salt solution to be used in the testing of fusel oil must be a solution of common table salt in water, containing all the salt which the water is capable of dissolving. The solution is to be provided by the distiller.

§ 184.456 *Containers.* Fusel oil which meets the requirements of the prescribed test may be removed from the distillery in barrels, drums, or similar packages or tank cars. Packages containing such fusel oil shall be marked by the distiller with his name, distillery number, location (city or town and State), the words "Fusel Oil," and the date of removal, in distinct and legible letters. When removal is made in tank cars the distiller will affix to each car a label containing such data.

§ 184.457 *Supervision.* All fusel oil must be removed from the distillery under the immediate supervision of the storekeeper-gauger.

§ 184.458 *Record of removal.* The distiller will enter on his monthly return, Form 15, all removals of fusel oil, including the name and address of the consignee, and the percentage of loss shown upon the test of such oil.

§ 184.459 *Disposition of water used for washing fusel oil.* The water used for washing or purifying the oil in the tanks may be conveyed directly to the still, or it may be run into a tank or into the sewer, or it may be otherwise destroyed on the premises under the supervision of the storekeeper-gauger. If the wash water is run into the still or tank, the quantity will not be entered on Form 15. If the wash water is run into the sewer or otherwise destroyed, the alcoholic content and quantity will be reported on Form 1520 and included in the report of production on Form 15.

RECOVERY AND REMOVAL OF CARBON DIOXIDE

§ 184.460 *Procedure.* Carbon dioxide may be recovered from fermenters and removed from the distillery premises, provided it is first thoroughly washed or scrubbed and purified to remove the alcohol therefrom. Where carbon dioxide is recovered, the wash water may be collected in a tank and transferred by pipeline to a fermenter or to the distilling material sump, or measuring tank. Where the wash water is transferred to the fermenter or to the distilling material measuring tank the transfer must be made prior to the testing of the distilling material at the time of distillation. Where the wash water is transferred to the distilling material sump after the calculated yield has been determined, the alcoholic content, the number of gallons, and the calculated yield thereof, will be determined and interlined in Part 1 of Form 15. An approved ebulliometer shall be used in determining the alcoholic content of the wash water. If the wash water is not utilized in the manufacture of distilled spirits, it will be run into the sewer or otherwise destroyed on the premises under the supervision of the storekeeper-gauger. Entry of such disposition will not be made on Form 15.

SUBPART T—ADDITION OF BURNT SUGAR OR CARAMEL TO BRANDY

§ 184.470 *Time of addition.* Except as provided in § 184.474, fruit distillers desiring to add burnt sugar or caramel to brandy must do so prior to the time the brandy is gauged for removal from the distillery. The burnt sugar or caramel must be added in the presence of the storekeeper-gauger.

(Sec. 3036, I. R. C.)

§ 184.471 *Sweetening properties.* The burnt sugar or caramel added to brandy shall not contain any substantial quantity of sugar which has not been caramelized, or possess any material sweetening properties.

(Sec. 3036, I. R. C.)

§ 184.472 *Method of adding burnt sugar or caramel.* The burnt sugar or caramel may be added to the brandy while it is in the receiving tanks or in storage tanks in the brandy deposit room, or the brandy may be transferred to special tanks or vats and the burnt sugar or caramel added to the same therein. Where the brandy is transferred to special tanks or vats for the addition of burnt sugar or caramel thereto, such tanks or vats must be fitted with covers equipped for locking with Government

locks, and such covers and other openings of the tanks or vats must be so locked unless the brandy is drawn into packages or removed by pipeline immediately in the presence of the storekeeper-gauger. The burnt sugar or caramel may be dissolved in a small quantity of hot water, or in a small quantity of brandy removed from the tank or vat for the purpose, before it is added to the bulk of the brandy in the tank or vat.

§ 184.473 *Determination of proof of brandy.* After the burnt sugar or caramel is added, the brandy in the tank will be thoroughly plunged and agitated and its proof then determined. The proof of the brandy will, however, be checked several times while the brandy is being drawn off. The proof so ascertained will be regarded as the proof of the brandy run into all the packages filled from the tank.

(Sec. 2878, I. R. C.)

§ 184.474 *Addition to packages in warehouse.* Burnt sugar or caramel may be added to packages of brandy in warehouse only where the brandy is unmerchantable by reason of being deficient in color and it is shown that the failure to properly color the brandy prior to the filling of the packages was due to no negligence or fault of the distiller. In such cases, application must be filed with the district supervisor by the distiller or warehouseman, showing the serial numbers of the barrels, the name of the producing distiller, and the necessity for the addition of the burnt sugar or caramel to the brandy. The district supervisor may permit the addition, under the immediate supervision of the storekeeper-gauger, of burnt sugar or caramel, conforming with § 184.475, to each of the barrels, after the brandy has been regauged for tax payment and prior to the purchase and affixing of the tax-paid stamps to the barrels.

(Sec. 3036, I. R. C.)

SUBPART U—BRANDY FOR REDISTILLATION RECEIPTS FOR REDISTILLATION

§ 184.480 *General.* Brandy may be received at the distillery for redistillation, upon the showing of a need therefor, and pursuant to an approved application in accordance with §§ 184.481 and 184.482. Brandy of any proof may be received in approved containers, including tank cars, from the distillery cistern room of any other distillery; or by pipeline from the cistern room of a contiguous distillery; or in approved containers from any internal revenue bonded warehouse. Brandy of 160 degrees or more of proof may be received by pipeline from storage tanks in an internal revenue bonded warehouse located on the distillery premises or contiguous thereto, or in tank cars from any internal revenue bonded warehouse. The consignee distiller shall assume the liability for all taxes and liens in respect of such brandy from the time it leaves the premises of the consignor distillery or warehouse and upon redistillation, the redistilled brandy shall be treated the same as if the brandy was originally produced by the redistiller and all prior obligations as to taxes and liens

in respect of such brandy shall be superseded.

(Sec. 2883, I. R. C.)

§ 184.481 *Special application for permission to receive brandy for redistillation.* A distiller desiring to receive brandy for redistillation shall make written application to the district supervisor of the district in which the applicant's distillery is located for permission to receive and redistill such brandy. Each such application shall be prepared in quadruplicate, serially numbered, beginning with No. 1, and contain the following information:

- (a) The kind of brandy and the approximate date of production;
- (b) The name, registry number and location of the producing distiller;
- (c) Approximate proof of original distillation;
- (d) The approximate quantity, proof and proof gallons of the brandy to be redistilled;
- (e) The name, registry number and location of the distillery or warehouse from which such brandy will be removed;
- (f) The serial numbers of packages, tanks or other receptacles in which such brandy is contained, if known;
- (g) The method of transportation by which the brandy will be conveyed to the redistiller's premises;

(h) Statement of the process by which redistillation of the brandy will be accomplished, including any special treatment or process to be used;

(i) The type of brandy to be produced by the redistillation and approximate proof at which such brandy will be redistilled;

(j) The approximate period of time necessary to complete redistillation of all brandy covered by the application;

(k) Statement of condition and necessity for redistillation of the brandy;

The application may cover several lots of brandy or may be of a continuing nature for a stated period of time.

(Sec. 2883, I. R. C.)

§ 184.482 *Action by district supervisor.* Upon receipt of an application for permission to receive brandy for redistillation, the district supervisor will determine whether all required information has been furnished. If, in the opinion of the supervisor, the redistillation of the brandy is justified, he may authorize removal of the brandy subject to such conditions and restrictions as are deemed necessary for protection of the revenue. He will also determine whether the applicant distiller's bond, or consent of surety filed in support thereof, covers such removals, and that the penal sum of the bond thereof is sufficient, and will note the amount of the bond, if less than the maximum, and his approval on each copy of the application, retain one copy of the application, forward one copy to the storekeeper-gauger assigned to the applicant's premises, and forward the original and the one copy to the applicant. Where approval of an application is conditional or subject to restrictions, such conditions will be stipulated on the application at the time of approval by the supervisor. In case the application is

disapproved, the supervisor will note his disapproval on each copy of the application with statements as to reason or reasons therefor, retain one copy of the application, return the remaining copies to the applicant.

(Secs. 2883, 3170, I. R. C.)

§ 184.483 *Form 236.* Upon receipt of an approved special application for permission to receive brandy for redistillation, the consignee distiller shall prepare application on Form 236, properly modified for that purpose, for transfer of such brandy, and will enter thereon the serial number and date of the special application authorizing such removal. Where the special application covers removal of several lots of brandy for redistillation over an extended period of time, it will involve the use of multiple sets of Form 236; however, in no case shall the total quantity represented by the Forms 236, singly or collectively, exceed the maximum quantity of brandy stated in the approved special application covering such removals. Where the consignor distillery or warehouse is located in the same supervisory district, the original and five copies of the Form 236 will be prepared and delivered to the storekeeper-gauger; the original and six copies if the consignor distillery or warehouse is located in a different district. The storekeeper-gauger will execute his certificate on all copies of the Form 236, indicating that the distiller's bond is sufficient to cover the redistillation of the brandy described, pursuant to the district supervisor's notation as to bond coverage on the special application and will return all copies to the distiller. The distiller will forward all copies of the approved Form 236 and one copy of the approved special application to the consignor distiller or warehouseman.

(Sec. 2883, I. R. C.)

§ 184.484 *Quantity to be determined at time of receipt.* Where brandy for redistillation is received in approved containers, including tank cars, the actual quantity of brandy received will be ascertained by appropriate gauge and immediately transferred to tanks conforming to § 184.131, or introduced into the distilling system where the redistillation is to be accomplished simultaneously with primary distillation of other distilling materials. Where brandy for redistillation is introduced directly into the distilling system, the system must be locked and sealed in such a manner as to prevent access to its contents: *Provided*, That where small quantities of brandy for redistillation are to be mingled with fermented material in a fermenter, charger or sump, locking facilities will not be required where the amount of brandy does not exceed the volume of the fermented material by more than five percent. Such brandy received in tank cars may be conveyed directly into the weighing tank in the cistern room for gauging prior to deposit in the tanks or distilling system. Brandy received by pipeline for redistillation from a contiguous distillery or warehouse must be deposited directly into tanks on the redistiller's premises and gauged therein prior to redistillation or introduction into

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the distilling system. Brandy produced from different type materials, such as grapes, apples, or peaches, must be deposited in separate tanks and redistilled separately or introduced into the distilling system with the same type of distilling material from which such brandy was originally produced. The storekeeper-gauger shall make an accurate gauge of each lot of brandy received for redistillation, note the actual quantity received in proof gallons on each copy of the gauge report covering transfer of the brandy and use such information in the verification of entries in monthly records and reports, as to the quantity and type of distilling material thus received.

(Sec. 2883, I. R. C.)

§ 184.485 *Losses in transit of brandy received for redistillation.* Where the gauge of brandy received for redistillation discloses deficiencies between the shipping and receiving gauges that cannot be attributed to normal transit losses or variation in gauge the applicable procedure prescribed by §§ 184.650 to 184.660 will be followed. In all cases the actual quantity of brandy received for redistillation and the quantity lost in transit, as indicated by comparison of the shipping and receiving gauges, will be entered by the storekeeper-gauger on the Form 236 and Form 1520 covering transfer of each lot of brandy received for redistillation. The storekeeper-gauger will retain one copy each of Forms 236 and 1520, give one copy each of Forms 236 and 1520 to the distiller and forward one copy each of Forms 236 and 1520 to his district supervisor in the case of intradistrict transfers, two copies of Form 236 and one copy of Form 1520 in the case of interdistrict transfers, in which case the district supervisor will retain one copy of Form 236 and forward the remaining copy of Form 236 to the supervisor-consignor.

(Sec. 2883, I. R. C.)

§ 184.486 *Redistillation of brandy.* Brandy received at a fruit distillery for redistillation must be redistilled as expeditiously as normal distilling operations will permit. The brandy introduced into the distilling system shall be entered in proof gallons according to type (as defined in section 21, class 4 of Federal Alcohol Administration Regulations 125 (27 CFR, Part 5)) by the distiller on his record of materials used. Where brandy received for redistillation is mingled with wine or fermented material prior to introduction into the distilling system, such mingling must be made prior to the testing of the material for alcoholic strength. Where such brandy is transferred to the charger or sump after the calculated yield has been determined, the actual quantity of brandy in proof gallons so transferred will be reported separately as calculated yield. Brandy received for redistillation may be treated in any manner during the course of redistillation, provided such treatment is included in the statement of process filed pursuant to § 184.191. Different types of brandy received for redistillation must be redistilled separately or with distilling mate-

rial of, or produced from, the same type as that from which the brandy was originally produced. Such brandy may not be redistilled at a proof lower than that at which originally produced. Where brandy for redistillation is on hand at the time the distillery is qualified for alternate operations as an industrial alcohol plant or registered distillery, such brandy will be gauged and held in closed locked tanks until the distillery requalifies as a fruit distillery, as provided for in this part.

(Sec. 2883, I. R. C.)

§ 184.487 *Deficiencies in redistillation.* Deficiencies which occur during the redistillation of brandy received for that purpose will be treated the same as those which occur during the process of original distillation. In any case where the deficiency in redistillation of any particular lot or lots of brandy exceeds that which may be attributed to normal redistillation deficiencies, the storekeeper-gauger will make proper inquiry and appropriate investigation to determine the cause thereof, and the distiller will make explanatory statements relative to such deficiencies in the proper record.

(Secs. 2883, 2901, I. R. C.)

§ 184.488 *Deposit in receiving tanks.* Upon completion of redistillation of brandy received for that purpose, the redistilled brandy shall be treated the same as if such brandy was originally produced by the redistiller and deposited in the receiving tanks in accordance with the requirements of § 184.404. Such brandy shall be withdrawn from the receiving tanks in the same manner as other brandy originally produced at the distillery and may be withdrawn for any of the purposes authorized by this part.

(Sec. 2883, I. R. C.)

REMOVALS FOR REDISTILLATION

§ 184.489 *Gauge of brandy.* Upon receipt of application, Form 236, and the copy of the special application authorizing removal, the distiller, when he desires to make shipment, will give a copy of Form 236, furnish a complete description of the brandy to be shipped and exhibit the approved application to the storekeeper-gauger. The storekeeper-gauger will verify the information shown on Form 236 with the corresponding information on the application. He will prepare his report of gauge on Form 1520. An original and four copies will be prepared for intradistrict shipments and an original and five copies for interdistrict shipments. The marking of containers will be made in accordance with §§ 184.569 to 184.576 insofar as applicable, and in addition to required transfer-in-bond markings for containers of brandy removed for redistillation, there will be stenciled thereon the words, "For Redistillation." The storekeeper-gauger will note on all gauge reports covering removal of brandy for redistillation the words, "For Redistillation," followed by the serial number and date of the special application authorizing such removal. Brandy may not be removed for redistillation until the proper authorization has been received at the consignor premises

and exhibited to the storekeeper-gauger in charge who will determine that the quantity of brandy to be removed does not exceed the maximum stated in any particular application on Form 236 or the related special application, and, where previous removals have been made under the same special application, that the total of such removals are not in excess of the maximum quantity authorized by the special application. Forms 236 and 1520 will be disposed of in accordance with § 184.611 for intradistrict transfers and § 184.619 for interdistrict transfers. (Secs. 2883, 4017, I. R. C.)

§ 184.490 *Records.* Brandy removed from a fruit distillery to another distillery for redistillation shall be reported and accounted for by the proprietor on Form 15. In addition, there shall be entered on the line where each such entry for withdrawal is shown, the notation, "For Redistillation," followed by the serial number and date of the special application authorizing the transfer of the brandy for redistillation.

(Secs. 2841, 2883, 3171, I. R. C.)

SUBPART V—TAX ON BRANDY AND OTHER DISTILLED SPIRITS

§ 184.495 *Rate of tax.* The law imposes a tax on distilled spirits produced in or imported into the United States at the rate prescribed therein on each proof gallon or wine gallon when below proof and a proportionate tax at a like rate on all fractional parts of such proof or wine gallon, to be paid when withdrawn from bond.

(Sec. 2800, I. R. C.)

§ 184.496 *Attachment of tax.* Under the law, the tax attaches to distilled spirits as soon as such substance comes into existence as such, whether it be subsequently separated as pure or impure spirit, or be immediately, or at any subsequent time, transferred into any other substance, either in the process of original production or by any subsequent process.

(Sec. 2800, I. R. C.)

§ 184.497 *Persons liable for tax.* The law provides that every proprietor or possessor of, and every person in any manner interested in the use of, any still, distillery, or distilling apparatus, shall be jointly and severally liable for the taxes imposed by law on the distilled spirits produced therefrom.

(Sec. 2800, I. R. C.)

LIEN FOR TAX ON DISTILLED SPIRITS

§ 184.498 *Tax to be first lien.* Except as provided in § 184.500, the tax on distilled spirits becomes, under the law, a first lien on the spirits distilled, the distillery used for distilling the same, the stills, vessels, fixtures, and tools therein, the lot or tract of land whereon said distillery is situated, and on any building thereon, from the time said spirits are in existence as such until the tax is paid: *Provided*, That where spirits are removed for redistillation, the consignee distiller shall assume the liability for payment of the tax on such spirits from the time they leave the internal

revenue bonded warehouse or distillery, and the tax liability on the producing distiller or the warehouseman, and the liens on the premises of the producing distiller shall cease, and the tax and liens shall become the liability of the consignee distiller. Upon redistillation of such spirits, the redistilled spirits shall be treated the same as if the spirits had been originally produced by the redistiller and all prior obligations as to taxes and liens shall be superseded.

(Secs. 2800, 2883, I. R. C.)

§ 184.499 *Assessments become lien.* Except as provided in § 184.500, all assessments made by the Commissioner, upon examination of the distiller's monthly return, become a lien, under the law, from the time the assessment is made until the same shall have been paid, on all distilled spirits on the distillery premises, the distillery used for distilling the same, the stills, vessels, fixtures, and tools therein, the tract of land whereon the said distillery is located, and any building thereon.

(Sec. 2846, I. R. C.)

§ 184.500 *Exemption from lien.* No lien attaches to any lot or tract of land, distillery, building, or distilling apparatus and equipment by reason of distilling done during any period included within the term of any bond taken on Form 3-A, pursuant to § 184.176.

(Sec. 2800, I. R. C.)

§ 184.501 *Extinguishment of lien.* Any lien under section 2800 (e) (1), I. R. C., on any land, or any building thereon, shall be held to be extinguished if (a) such land and building are no longer used for distillery purposes, and (b) there is no outstanding liability for taxes or penalties imposed by law on the distilled spirits produced therein, and (c) no litigation is pending in respect to any such tax or penalty.

(Sec. 2800, I. R. C.)

§ 184.502 *Certificate of discharge of lien.* Any person claiming any interest in any such land or building may apply to the district supervisor for a duly acknowledged certificate to the effect that such lien is discharged and, if the district supervisor determines that any such lien is extinguished, he shall issue such certificate, and any such certificate may be recorded.

(Secs. 2800, 3170, I. R. C.)

SUBPART W—WITHDRAWAL OF SAMPLES OF BRANDY

§ 184.510 *Authority.* The law makes provision for the withdrawal, under the provisions of this part, of suitable samples of brandy or fruit spirits, tax-free if for laboratory analysis, and taxpaid if for any other use.

(Sec. 3037, I. R. C.)

TAX-FREE SAMPLES FOR LABORATORY ANALYSIS

§ 184.511 *Unfinished spirits.* Upon approval by the storekeeper-gauger in charge at the distillery, or by the district supervisor when no storekeeper-gauger is assigned to the distillery, of an application submitted in accordance with the

provisions of §§ 184.516, 184.517, or 184.518, the distiller may remove for laboratory analysis samples of brandy or fruit spirits in the course of distillation and prior to the deposit in receiving tanks as shown in paragraphs (a), (b), and (c) of this section:

(a) Samples, not exceeding three pints in the aggregate, of the product of each still in a distilling unit in each 24-hour period;

(b) Where a discontinuous or batch still is operated, samples not exceeding three pints in the aggregate, of the product of each batch distilled;

(c) Where the distiller desires to obtain spot-samples from various plates of a still in the course of distilling a day's production, samples, not exceeding one quart in the aggregate, from each of the various plates.

(Sec. 3037, I. R. C.)

§ 184.512 *Finished spirits.* Upon approval by the storekeeper-gauger in charge at the distillery, or by the district supervisor when no storekeeper-gauger is assigned to the distillery, of a written application filed in accordance with the provisions of §§ 184.516, 184.517, or 184.518, the distiller may remove for laboratory analysis samples of brandy or fruit spirits from receiving tanks and tanks or packages in the brandy deposit room. Such samples shall not exceed:

(a) One quart in the aggregate, in any 24-hour period from any receiving tank;

(b) One quart from any filling of a tank in the brandy deposit room; and

(c) One pint from any package stored in the brandy deposit room.

Provided, That, when a receiving tank is filled and emptied and filled again in the same 24-hour period, samples, not to exceed 1 quart in the aggregate, may be taken from each filling of such receiving tank.

(Sec. 3037, I. R. C.)

§ 184.513 *Size and number.* The size and number of samples of unfinished spirits, brandy or fruit spirits, must be restricted to the minimum necessary for the purpose for which intended. The withdrawal of tax-free samples in excess of these limitations for laboratory analysis shall not be permitted unless it is shown that such samples are insufficient for the purpose intended and the Commissioner, upon receipt of a written application filed in accordance with the provisions of § 184.518, authorizes the taking of additional samples.

(Sec. 3037, I. R. C.)

§ 184.514 *Disposition of samples.* Tax-free samples must be used solely for laboratory analysis. Such samples may not be furnished to salesmen and dealers for advertising or soliciting purposes. Where brandy or fruit spirits are sold subject to approval as to quality, a sample taken pursuant to the provisions of §§ 184.512, 184.513, and 184.516 to 184.523 may be furnished the purchaser. Remnants or residues of tax-free samples remaining after analysis and which are not desired to be retained as laboratory specimens or for further analysis or examination should be returned to the vessels in the distilling

system, unless the condition of the remnants or residues is such as to render them unsuitable for such disposition. If such remnants or residues of samples are unsuitable for return to the distilling system, they should be destroyed.

(Sec. 3037, I. R. C.)

**TAX-PAID SAMPLES FOR OTHER THAN
LABORATORY ANALYSIS**

§ 184.515 *Unfinished and finished spirits.* Upon approval by the storekeeper-gauger in charge at the distillery of an application submitted in accordance with the provisions of § 184.516, the distiller may take samples of brandy or fruit spirits in the course of distillation in the distillery, or from the receiving tanks, or from tanks or packages in the brandy deposit room, for other than laboratory analysis, subject to payment of tax on the quantity so removed. Such samples must be used strictly for sample purposes, and the number and size of the samples must be restricted to that necessary for bona fide sample purposes.

(Sec. 3037, I. R. C.)

GENERAL REQUIREMENTS

§ 184.516 *Application to the storekeeper-gauger in charge.* When the distiller desires samples of brandy or fruit spirits which, under the provisions of §§ 184.511, 184.512, 184.513, and 184.515, may be authorized by a storekeeper-gauger and one is assigned to the premises, application in triplicate shall be submitted to that officer. The application shall be given a serial number beginning with "1" for the first application and running consecutively thereafter. The application should specify whether the samples are desired for laboratory analysis tax-free or for other purposes subject to payment of tax, the reasons why the samples are desired, the number and size of the samples to be taken, and the place or places of removal. Where it is desired to take samples from the distillery regularly for laboratory analysis, except spot-samples from the plates of a still, the application may be made for that purpose. Where spot-samples from the plates of a still or samples subject to payment of tax are desired, the application shall be submitted each day such samples are to be procured. No samples may be taken until the application is approved.

(Sec. 3037, I. R. C.)

§ 184.517 *Application to the district supervisor.* When samples similar to those described in § 184.516 are desired and no storekeeper-gauger is assigned to the premises the distiller shall make application, in triplicate, to the district supervisor. The application shall be given a serial number within the series prescribed in § 184.516 and shall show the information required by such section. No samples may be taken until the application is approved.

(Sec. 3037, I. R. C.)

§ 184.518 *Application to the Commissioner.* When the distiller desires samples other than those which, under the provisions of §§ 184.511, 184.512, 184.513, and 184.515, may be authorized by the

storekeeper-gauger he shall make application, in quadruplicate, through the district supervisor to the Commissioner. The application shall be given a serial number within the series prescribed in § 184.516 and shall show the information required by such section. The application must show the necessity for samples in number or quantities in excess of those which may be authorized by the storekeeper-gauger. The district supervisor shall satisfy himself as to the need for samples, note his recommendations on each copy of the application and forward all copies to the Commissioner. No sample may be taken until the application is approved.

(Sec. 3037, I. R. C.)

§ 184.519 *Approval of application by the storekeeper-gauger in charge at the distillery.* Upon receipt of an application submitted in accordance with the provisions of § 184.516, the storekeeper-gauger must satisfy himself as to the need for the number of samples desired and the legitimacy of the purpose for which they are to be used before approving the application. The storekeeper-gauger upon approval or disapproval of an application, shall return one copy to the distiller, forward one copy to the district supervisor, and retain the original copy in his office.

(Sec. 3037, I. R. C.)

§ 184.520 *Approval of application by the district supervisor.* Upon receipt of an application submitted in accordance with the provisions of § 184.517, the district supervisor must satisfy himself as to the need for the number of samples desired and the legitimacy of the purpose for which they are to be used before approving the application, and shall note upon each copy his approval or disapproval. If the application is approved he shall file a copy and furnish the original and remaining copy to the Government officer assigned to supervise the withdrawal of the samples. At the time samples are withdrawn the Government officer shall file the original copy of the application at the distillery and furnish the distiller the remaining copy. If the application is disapproved, the district supervisor shall file the original copy and return the remaining copies to the distiller.

(Sec. 3037, I. R. C.)

§ 184.521 *Approval of application by the Commissioner.* Upon approval or disapproval of an application by the Commissioner, the original and two copies shall be returned to the district supervisor. If the application is approved, the district supervisor shall file a copy and furnish the original and remaining copy to the Government officer assigned to supervise the withdrawal of the samples. At the time samples are withdrawn, the Government officer shall file the original copy of the application at the distillery and furnish the distiller the remaining copy. If the application is disapproved, the district supervisor shall file the original copy and return the remaining copies to the distiller.

(Sec. 3037, I. R. C.)

§ 184.522 *Removal under supervision.* All samples must be taken under the immediate supervision of the storekeeper-gauger assigned to the distillery or a Government officer assigned to supervise the removal of such samples. When there is no Government officer assigned to the distillery and the application is transmitted to the district supervisor pursuant to the provisions of § 184.517, the district supervisor shall authorize the taking of the samples at such time as officers visit the distillery to gauge brandy, make inspections, etc., unless in his opinion, the circumstances are such as to warrant the detaching of an officer especially to permit the distiller to obtain samples.

(Sec. 3037, I. R. C.)

§ 184.523 *Label.* At the time of the withdrawal of a sample the proprietor shall prepare a label and a copy thereof. The label and the copy shall be prepared on paper having approximate dimensions of 3" x 5". The proprietor shall show on the label and on the copy, in the order listed and upon separate lines, the information required in paragraphs (a) to (h) of this section:

- (a) The word "Sample";
- (b) The serial number of the approved application covering the withdrawal of the sample;
- (c) The kind of spirits;
- (d) The place from which the sample was removed;
- (e) The name of the distiller followed by the registered number of the distillery and the name of the State in which located;
- (f) A statement showing the purpose for which the sample is intended;
- (g) The size of the sample and the quantity in proof gallons extended to the fourth decimal place; and
- (h) If the sample is to be analyzed or used at other than the immediate or contiguous premises of the proprietor, the name and address of the laboratory or purchaser to which the sample is to be sent.

Upon completion, the label and the copy shall be presented to the storekeeper-gauger, who shall verify the accuracy of the data thereon, date and sign both copies, and supervise the affixing of the label to the sample container. Where the label to be placed upon a container of a sample taken subject to payment of tax for other than laboratory purposes, the storekeeper-gauger shall write upon the copy of the label the words "subject to tax payment." The distiller shall not be required to affix red strip stamps to containers of taxable samples of brandy. The copy of the label shall be filed by the storekeeper-gauger in accordance with the provisions of § 184.524.

(Sec. 3037, I. R. C.)

§ 184.524 *Office record.* The proprietor shall furnish sufficient file cases for the filing and retention of sample records. The copies of labels shall be kept by the storekeeper-gauger as a record of samples removed, and shall be filed numerically by application number and chronologically by date. If the distiller operates an internal revenue bonded

warehouse on or contiguous to the distillery premises, the record of samples removed from the distillery shall be maintained separately from the record of samples removed from the warehouse.

(Sec. 3037, I. R. C.)

§ 184.525 Report of taxable samples. Each day taxable samples of brandy or fruit spirits are withdrawn, the storekeeper-gauger shall enter on Form 1615, "Taxable Samples of Distilled Spirits," in quadruplicate, a record of the taxable samples removed. All the information called for by the form shall be furnished. At the end of each month, the storekeeper-gauger shall complete the report, retain one copy of the form, and deliver the remaining three copies to the distiller, who shall forward the three copies to the collector with remittance for the tax due. The collector shall execute his certificate of taxpayment on each copy of the form, retain one copy, and return the remaining two copies to the distiller, who will retain one copy and deliver the other copy to the storekeeper-gauger. The storekeeper-gauger shall note the tax payment on his retained copy and forward the other copy to the district supervisor.

(Sec. 3037, I. R. C.)

SUBPART X—TAX-PAYMENT, REMOVAL, AND TRANSFER OF BRANDY FROM DISTILLERY

REMOVALS FROM RECEIVING TANKS

§ 184.535 For transfer to internal revenue bonded warehouses. Brandy may be removed to internal revenue bonded warehouses as follows:

(a) At any proof:

(1) By pipeline direct to tanks in the internal revenue bonded warehouse located on the distillery premises;

(2) In approved containers for deposit in any internal revenue bonded warehouse for storage in such approved containers;

(3) In tank cars for deposit in any internal revenue bonded warehouse for storage in such containers; and

(4) In wooden packages, each containing two or more metallic cans having a capacity of not less than 5 wine gallons each, for the purpose of exportation only.

(b) At 180 degrees or more of proof (without or subsequent to reduction to not less than 160 degrees of proof):

(1) By pipeline direct to tanks in an internal revenue bonded warehouse contiguous to the distillery premises; and

(2) In tank cars to any internal revenue bonded warehouse for deposit in tanks therein.

(Secs. 2825, 2878, 2883, 2888, 3031, 3033, I. R. C.)

§ 184.536 For temporary storage in brandy deposit room. Brandy may be placed in the brandy deposit room for temporary storage, pending removal from the distillery, as follows:

(a) In approved containers; and

(b) In storage tanks.

§ 184.537 For transfer to bonded wineries. Brandy for fortifying wine may be removed as follows:

(a) By pipeline to tanks in the fortifying room of a bonded winery on contiguous premises;

(b) In tank cars to any bonded winery; and

(c) In approved containers to any bonded winery.

§ 184.538 For exportation. Brandy of a proof of not less than 180 degrees may be removed in tank cars free of tax for exportation. Brandy of any proof may be removed to an internal revenue bonded warehouse in wooden packages, each containing two or more metallic cans having a capacity of not less than 5 wine gallons each, for exportation only.

(Sec. 2888, I. R. C.)

§ 184.539 For redistillation. Brandy of any proof may be removed for redistillation upon the showing of the need therefor in accordance with § 184.480. Such brandy may be removed as follows:

(a) By pipeline to a contiguous registered distillery or registered fruit distillery; and

(b) In approved containers, including tank cars, to any registered distillery or registered fruit distillery.

(Secs. 2883, 3176, I. R. C.)

§ 184.540 Upon taxpayment. Brandy, upon taxpayment, may be removed as follows:

(a) By pipeline to a contiguous tax-paid bottling house or rectifying plant; and

(b) In approved containers, including tank cars.

§ 184.541 Proof of brandy. Brandy, as defined in these regulations, may be produced, warehoused, and withdrawn at any desired proof: *Provided*, That brandy transferred into tank cars for exportation, free of tax, must be not less than 180 degrees proof. All packages of brandy must be marked and branded as to kinds (class and type) in accordance with §§ 184.573 to 184.575.

(Secs. 2878, 2888, I. R. C.)

§ 184.542 Prompt removal required. Brandy must be removed from receiving tanks at frequent intervals when a storekeeper-gauger is present to gauge the same. Receiving tanks are not intended to be used for storage purposes and the retention of brandy in such tanks for an indefinite period will not be permitted. Since the brandy produced is not gauged until it is drawn from the receiving tanks, it is necessary that prompt action in this respect be taken to determine the liability of the distiller for taxes which, under the law, immediately attach to all brandy produced.

STORAGE IN AND REMOVAL FROM BRANDY DEPOSIT ROOM

§ 184.543 Storage. Unless the brandy produced is tax-paid or transferred to a fruit or registered distillery or internal revenue bonded warehouse or winery immediately upon being drawn from the receiving tanks and gauged, it must be temporarily stored in the brandy deposit room pending such disposition. However, where brandy is drawn into packages from receiving or storage tanks in the brandy deposit room, the packages must be removed from such room on the same day they are filled, or before other packages are filled therein, unless a sep-

arate room is provided in the brandy deposit room in accordance with the provisions of § 184.91, and all packages retained for temporary storage are placed in such room.

§ 184.544 Other use. When no brandy is stored in the brandy deposit room, the distiller may be permitted to use the room for other authorized purposes.

§ 184.545 Rooms to be locked. The brandy deposit room and the filled package storeroom, if any, must be kept securely locked at all times while spirits are stored in such rooms, except when necessary to be open for the receipt or removal of spirits. The entrance door of the brandy deposit room and of the filled package storeroom, if any, must each be secured with a seal lock, the key to which will at all times be retained in the custody of the storekeeper-gauger, if any, assigned to the distillery, or the district supervisor or other Government officer designated by him. All manheads, inlets, outlets, or other openings of receiving and storage tanks in the brandy deposit room must likewise be secured with Government locks while brandy is contained therein.

§ 184.546 Removal. Brandy placed in the brandy deposit room or in the filled package storeroom, if any, must be tax-paid or removed to a fruit or registered distillery or to an internal revenue bonded warehouse or to a winery on or before the 10th day of the month following that in which it was produced, as provided in § 184.548. Removals of brandy from the brandy deposit room will be in accordance with the provisions of § 184.535 (except par. (a) (4)) and §§ 184.537, 184.539, and 184.540.

(Sec. 2, 19 Stat. 393; C. 1194, 25 Stat. 560; 26 U. S. C. 1251)

§ 184.547 Use of brandy deposit room. The brandy deposit room must be used exclusively for the deposit and temporary storage of brandy, or distillates containing one-half of 1 percent or more of aldehydes or 1 percent or more of fusel oil to be removed for denaturation or destruction, or both brandy and such distillates, except that when the room is not devoted to such use, or when all brandy therein is in a separate locked room as provided in § 184.544, the Government locks may be removed from the doors and other openings thereof and the distiller permitted to use the room for other purposes. When the brandy deposit room is used for other purposes, the door, if any, connecting such room with the receiving room must be kept closed and locked, unless the distillery operations have been suspended pursuant to notice on Form 124, as provided in Subpart CC, and all spirits have been removed from the receiving room.

TIME OF REMOVAL FROM DISTILLERY

§ 184.548 Date tax is due. The tax on all brandy produced is due and payable on the 10th day of the month following the month of production, unless removed for deposit in an internal revenue bonded warehouse, or for transfer to a winery, or for transfer to a distillery for redistillation, or, if not less than 180 de-

grees of proof, removed for exportation on or before such date.

(Sec. 2, 19 Stat. 393; C. 1194, 25 Stat. 560; 26 U. S. C. 1251)

§ 184.549 Request for assignment of officer. Where a storekeeper-gauger is not assigned regularly to a distillery, the distiller shall request the district supervisor to assign an officer to gauge the brandy produced in ample time to permit removal on or before the 10th day of the following month. Upon receipt of such request the district supervisor will promptly assign an officer to gauge the brandy.

§ 184.550 Assessment of tax. The removal to a bonded warehouse or winery of brandy on which the tax is overdue will not be permitted, unless the failure to gauge and remove the brandy on or before the 10th day of the month following the month of production is due to no fault of the distiller. Where the distiller fails to provide proper facilities for gauging, or to make a timely request as provided in § 184.549 for the assignment of a storekeeper-gauger to gauge the brandy, the tax will be reported by the district supervisor to the Commissioner for assessment, unless it is immediately paid to the collector by the distiller.

(Sec. 3640, I. R. C.)

CONTAINERS

§ 184.551 Packages. Brandy may be drawn from receiving tanks, or from storage tanks in the brandy deposit room, into casks, barrels, or similar wooden packages, or into drums or similar metal packages, having a capacity of not less than 10 wine gallons each. The construction of wooden packages for exportation as provided by § 184.535 (a) (4), and the filling, marking, and branding thereof, must conform to the requirements of §§ 184.553 and 184.555 to 184.557.

(Sec. 2878, I. R. C.)

§ 184.552 Kind and construction of packages. The wooden packages for exportation provided for by § 184.535 (a) (4) shall be substantially and securely constructed of clear, dressed lumber, and one side of each such package, to be known as the Government side, must be reserved for the marks and brands prescribed by § 184.556 and the export stamp required by Regulations 10 (26 CFR, Part 185). The Government side must present a smooth and unbroken surface, and may consist of two or more pieces fitted closely together. The wooden packages shall be secured by metal straps or heavy wires, in addition to being securely nailed.

(Sec. 2878, I. R. C.)

§ 184.553 Notice by distiller. Whenever distilled spirits are to be exported in wooden packages, each containing two or more metallic cans, the distiller shall file with the storekeeper-gauger a written notice, stating the number of cans which he desires to have filled for this purpose.

(Sec. 2878, I. R. C.)

§ 184.554 Packages to be weighed before filling. The empty packages shall be weighed immediately preceding the filling of same. In determining the weight (tare) of the package, the metallic cans contained therein as well as the wooden case shall be weighed. The combined weight of the metallic cans and the case shall be the tare or weight to be marked on the empty package.

(Sec. 2878, I. R. C.)

§ 184.555 Filling of cans. Upon receipt of the notice from the distiller pursuant to § 184.275 (b) the storekeeper-gauger will supervise the filling of the metallic cans from the receiving cistern. After the packages have been filled they will be reweighed and the details of the gauge reported on Form 1520.

§ 184.556 Marks and brands. The name of the distiller or the person in whose name they were produced, the registry number of the distillery, the city, town, and state in which the distillery is located, the kind of spirits, the serial number of the package, the date of filling, and the proof, proof gallons and tare determined at the time of filling will be plainly and durably stenciled on the Government side of the package in letters not less than one-half inch in height. In addition, when the spirits are to be withdrawn for transfer in bond to an internal revenue bonded warehouse located on a noncontiguous premise, there shall be marked on the side of the package data showing the transfer date and premises to which transferred as "Trans. Aug. 1, 1948, to IRBW 4 N. Y." The marks will be shown in the following manner:

Serial No. 999
JOHN DOE DISTILLING CO.
No. 9, Rockland, Penna.
Filled July 31, 1948
Brandy
T. -----
P. -----
P. G. -----
Trans. 8-1-48
IRBW 4—N. Y.

§ 184.557 Deposit in warehouse. After the packages have been filled, gauged, and marked as required by this subpart and recorded as required by § 184.418 they will be deposited in an internal revenue bonded warehouse for temporary storage pending their removal for exportation.

(Secs. 2878, I. R. C.)

§ 184.558 Railroad tank cars. Brandy may, as provided in §§ 184.535 and 184.537 to 184.540, be drawn into tank cars for removal, but only in case the premises of the distiller and of the consignee are equipped with suitable railroad siding facilities. Where brandy is to be warehoused in tank cars, a railroad siding must extend into the receiving warehouse.

(Sec. 2878, I. R. C.)

§ 184.559 Tank wagons and tank trucks. The transportation of brandy in tank wagons and tank trucks will not be permitted.

(Sec. 2878, I. R. C.)

DRAWING OFF, GAUGING AND REMOVAL OF BRANDY

§ 184.560 Drawing off brandy. When brandy is to be drawn from a receiving tank, the storekeeper-gauger will see that the valve in the pipeline controlling the flow of brandy into the tank and the valve in any connecting overflow pipeline are closed and locked before the brandy in the tank is reduced and proofed, and that such valves remain closed and locked until all brandy has been drawn from the tank. Whenever brandy is to be drawn from receiving tanks or transferred into or out of other tanks secured with Government locks, the storekeeper-gauger will open and close the locks, but it shall be the duty of the distiller to manipulate the stopcocks or valves controlling the flow of brandy. The storekeeper-gauger is required to be present and personally supervise all such operations and to see that all such operations are properly performed in accordance with this part.

§ 184.561 Gauging of brandy. All brandy drawn from receiving tanks will be carefully gauged by the storekeeper-gauger by weighing and proofing the brandy in accordance with this subpart and the Gauging Manual (26 CFR, Part 186), and the details thereof entered on the report of gauge, Form 1520. Entries shall be made as indicated by the headings of the various columns and lines and in accordance with the instructions printed on the form or issued in respect thereto and as required by the regulations in this part. The storekeeper-gauger shall, in every instance, note on Form 1520 the proof of distillation of the brandy gauged. The proof of brandy shall be adjusted to a whole or complete degree before being removed from the receiving tanks. The brandy in the receiving tank must be thoroughly agitated before taking the proof. The proof so ascertained will be regarded as the proof of brandy run into all packages filled from the receiving tank and all brandy removed by pipeline or in tank cars. However, the proof of the brandy in the receiving tank will be checked several times while brandy is being drawn off. Brandy to be transferred by pipeline or in railroad tank cars for shipment will be gauged in a weighing tank as provided in § 184.562.

(Secs. 2800, 2806, 2878, 2883, 3070, 4017, I. R. C.)

§ 184.562 Weighing brandy removed by pipeline. Brandy removed by pipeline must be weighed in weighing tanks before removal, except that where it is transferred by pipeline from the receiving tanks to a bonded warehouse on the distillery premises, or to the fortifying room of a winery on contiguous premises, or to a contiguous distillery for redistillation, and no weighing tank is provided in the producing distillery, the brandy may be run into weighing tanks in the bonded warehouse or the fortifying room or the receiving distillery and weighed therein. The brandy must, in any event, be weighed once in connection with its removal. Brandy transferred from distillery receiving tanks to

storage tanks in the brandy deposit room, or from such receiving or storage tanks to tank cars, must be gauged in weighing tanks prior to such transfer. The storekeeper-gauger will balance the weighing tank scales before the brandy is run into the weighing tank.

(Secs. 2825, 2878, 2883, I. R. C.)

§ 184.563 *Testing, weighing, and storage tank scales*—(a) *Not over 500 gallons.* Scales used for weighing brandy in lots of not over 500 gallons (where test weights have been provided in accordance with § 184.36) will be tested from time to time under the supervision of the storekeeper-gauger by means of such test weights. Such scales will be tested by placing the prescribed test weights on the scales and checking the weight registered on the beam of the scales. The test weights will then be removed without disturbing the beam and the gauging tank filled with brandy or water to the same weight, whereupon the test weights will again be placed upon the scales, the brandy or water being retained in the tank and the weight registered on the beam checked. This operation will then be continued until the scales have been checked in 500-pound notches at all weights for which the scales are used.

(b) *Over 500 gallons.* Proprietors will have scales used for weighing brandy in larger lots tested and their accuracy certified by State, county, or city departments of weights and measures or by a responsible scale company at intervals of not more than 6 months. Officers will see that the proprietors have the scales of weighing tanks, used for weighing brandy in lots of more than 500 gallons, tested and their accuracy certified by State, county, or city departments of weights and measures or by a responsible scale company, at intervals of not more than 6 months. Officers will also check, at least once a month, the gallonage represented to be on the scale against the gallonage indicated by a volumetric determination of the contents of the tank. Such volumetric determination will be made by (1) accurately ascertaining the proof and the temperature of the brandy and the depth of the liquid in the tank by means of a steel tape, (2) multiplying the depth in inches by the capacity of the tank for 1 inch of depth, and (3) correcting the volume to 60 degrees Fahrenheit in accordance with Table No. 7 of the Gauging Manual (21 CFR, Part 186). The corrected gallons thus determined will be compared with the gallons represented by the reading of the beam of the scale. Unless the volumetric check is within 0.5 percent of the quantity shown to be in the tank, the scale must be considered as being inaccurate; unless, upon checking the capacity of the tank per inch of depth, an error is disclosed and corrected, and such corrected gallons per inch brings the scale within the specified tolerance. In addition to the volumetric check described, officers will, as frequently as conditions indicate the necessity therefore, test weighing tank scales of large capacity in the manner prescribed for smaller capacity weighing tank scales, except that such tests on large capacity

weighing tank scales may be made when they contain considerable quantities of liquid. In this case the beam will be carefully balanced, and test weights will be added to the load, one at a time, until the range of 500 pounds is checked. For the scale to be considered accurate, each 50-pound weight added must increase the reading of the beam by 50 pounds, and the ten 50-pound weights by 500 pounds. Each reading must check within the value of one of the minimum beam graduations; otherwise, the scale will be considered inaccurate. At any time an officer finds a scale to be inaccurate, he will require the proprietor to have such scale adjusted and its accuracy certified by a State, county, or city department of weights and measures or by a responsible scale company.

§ 184.564 *For storage in brandy deposit room.* When brandy to be temporarily stored in the brandy deposit room is gauged, the storekeeper-gauger will prepare a report thereof on Form 1520, in triplicate, one copy of which will be forwarded to the district supervisor on the same day the brandy is gauged, one copy delivered to the distiller, and the remaining copy retained as a permanent record in the office of the storekeeper-gauger.

(Secs. 3170, 4017, I. R. C.)

§ 184.565 *Upon withdrawal from storage tanks.* When brandy is transferred to storage tanks in the brandy deposit room after it has been gauged, as provided in § 184.535, it will be regauged by weighing tank upon removal, unless it is drawn into packages and gauged.

(Sec. 2878, I. R. C.)

§ 184.566 *Removal of packages from brandy deposit room.* When the brandy is drawn from the receiving tanks into packages and temporarily stored in the brandy deposit room, as authorized in § 184.536, the packages need not be regauged upon removal, unless the storekeeper-gauger notes circumstances indicating that a package (or packages) has been tampered with, or has reason to believe that any package contains more spirits than shown by the original gauge, or materially less spirits, in which event a careful regauge will be made.

§ 184.567 *Report of gauge.* When brandy is gauged for removal to a bonded warehouse or winery, or upon tax payment, the storekeeper-gauger will prepare and dispose of the reports of gauge, Form 1520, as provided in this subpart.

(Sec. 4017, I. R. C.)

§ 184.568 *Pipeline removals.* Pipelines used for the transfer of brandy from the receiving tanks to storage tanks in the brandy deposit room or bonded warehouse or to a winery or to a railroad tank car for shipment, or from storage tanks in the brandy deposit room to a bonded warehouse or winery or to a tank car for shipment, must conform to the requirements of § 184.140, except that brandy may be transferred into a tank car by means of a hose connection, where the same is in full view of the Government officer

throughout its entire length. The valves on such pipelines shall be kept closed and locked at all times, except when necessary to be open for the transfer of spirits. The keys to all locks on the valves of pipelines shall remain at all times in the custody of the storekeeper-gauger or the district supervisor. Brandy may be transferred by pipeline only under the immediate supervision of the storekeeper-gauger.

(Secs. 2825, 2878, 2883, I. R. C.)

MARKING, BRANDING AND STAMPING OF PACKAGES

§ 184.569 *General.* Before weighing empty casks or packages, officers will examine them and will not permit the use of any cask or package which contains or has on its interior or exterior, any substance that will prevent the correct ascertainment of tare. The tare of the empty package will be determined immediately preceding the filling of the same in all cases: *Provided, however,* The tare of a number of packages may be ascertained and marked thereon before any are filled but not exceeding the number which are to be filled the same day or the following day. If the barrels are not to be filled until the following day, they must be locked in the receiving or brandy deposit room after being weighed and marked. The tare or weight of the empty package will be marked on the package as soon as ascertained and recorded on the entry form at the time of filling. All packages of brandy, when filled, shall be further marked and branded as provided by this subpart, and where such packages are tax paid, the tax-paid stamps will be affixed thereto and cancelled in the manner prescribed in § 184.584.

(Secs. 2808, 2878, 2883, I. R. C.)

§ 184.570 *Marking of packages filled in distillery.* All packages of brandy filled in the distillery shall be marked as follows:

(a) *Marks.* The name of the distiller or the person in whose name the brandy was produced, the registry number of the distillery, the city or town and State in which the distillery is located, the kind of cooperage, the serial number of the package, the kind of brandy, the date of filling, the proof at which distilled, the original proof gallons, the original proof and tare determined at the time of filling (and, if tax-paid in the distillery, the date of tax payment and serial number of the tax-paid stamp, as required by § 184.583) shall be marked upon the head of each package. In addition, when brandy is to be withdrawn for transfer in bond to an internal revenue bonded warehouse located on noncontiguous premises there shall be marked upon the head of the package data showing the transfer date and premises to which transferred as "Trans. Aug. 1, 1951, to IRBW 4-N. Y." When brandy is removed to a noncontiguous winery for fortification of wine, the head of each package shall be marked to show the date and purpose of the withdrawal, as "Withdrawn Aug. 1, 1951—For Fortification of Wine." The head of the package bearing these marks will be known as the "Government head."

(b) *Abbreviation of marks.* The registry number and State may be combined and abbreviated as "Calif-708." The kind of cooperage may be abbreviated "C" for charred, "REC" for recharred, "P" for plain, "PAR" for paraffined, "G" for glued, and "R" for reused (not recharred). In addition to these marks, the letters "PS" (pre-soaked) will follow the letters indicating the kind of cooperage if the barrel has been steamed or water soaked prior to filling.

(c) *Symbols for proof of distillation.* Symbols may be used to designate the proof of distillation, e. g., "D190P" for "Distilled 190 proof or over," "D170-190P" for "Distilled between 170 and 190 proof" and "D170P" for "Distilled not over 170 proof."

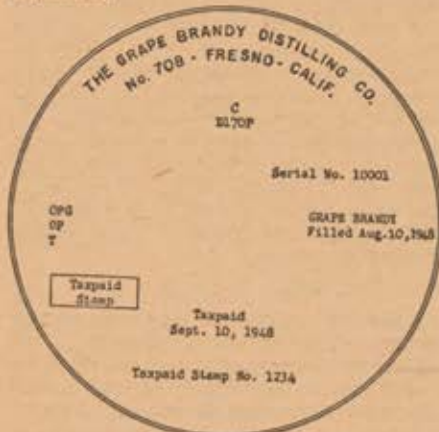
(d) *Method of marking.* All marks shall be plainly and durably burned, cut, imprinted, or stenciled on the head of each package. All marks, except the proof, proof gallons, tare and withdrawal data, shall be placed on the package in letters and figures of not less than $\frac{3}{4}$ inch in height. The proof, proof gallons, tare and withdrawal data, and all marks in the case of half barrels, shall be in letters and figures of not less than $\frac{1}{2}$ inch in height. The ink used in applying marks and brands shall be of suitable quality to effect durability and legibility and the heads of the packages shall be sufficiently smooth and free from defects to permit the marks and brands to be clearly and distinctly applied.

(e) *Kind of spirits.* The kind of spirits shall be stated as "apple brandy, etc.," in accordance with §§ 184.573 to 184.575.

(f) *Other marks.* No marks other than those required by this part shall be placed upon the Government head of a package.

(Secs. 2878, 2883, I. R. C.)

§ 184.571 *Illustration of marks and brands.* The following cut illustrates the order and manner in which the marks shall be applied to the head of each package upon filling and upon tax-payment:



(Sec. 2878, I. R. C.)

§ 184.572 *Numbering of packages.* Packages filled with spirits at the distillery shall be serially numbered, beginning with number 1 for the first package filled and continuing in regular sequence: *Provided*, That the series in current use at existing distilleries will be continued. Where packages are filled

from storage tanks in the brandy deposit room they will be numbered in sequence to the packages filled from the receiving tanks. Where there is a change in the trade name or style, or in the proprietorship of the business, the series in use at the time of such change will be continued. A new series will be used where there is a change in the type of plant; but use of the prior series will be resumed when the plant is again operated as a fruit distillery. When the serial numbers of packages filled at any distillery have reached the number 1,000,000, the distiller may, if he so desires, begin a new series, commencing with number 1 preceded or followed by a letter to distinguish it from the prior series, as 1A, 2A, etc., when the number 1,000,000, so distinguished, is again reached the distiller may begin another series distinguished by the second letter of the alphabet, as 1B, 2B, etc., and subsequent series, distinguished by other letters of the alphabet in order, may likewise be commenced.

(Secs. 2808, 2878, I. R. C.)

KINDS OF BRANDY

§ 184.573 *Brandy.* Spirits distilled solely from the fermented juice, mash, or wine of fruit, or from the residue thereof, distilled at less than 190 degrees of proof in such manner that the distillate possesses the taste, aroma, and characteristics generally attributed to brandy, shall be branded "Brandy," qualified as follows:

(a) *Brandy distilled at not exceeding 170 degrees of proof.* Brandy distilled at not exceeding 170 degrees of proof solely from the juice or mash of whole, sound, ripe fruit, or from standard grape, citrus, or other fruit wine, having a volatile acidity, calculated as acetic acid and exclusive of sulphur dioxide, not in excess of 0.20 gram per 100 cubic centimeters (20° C.), with or without the addition (to juice or wine only) of not more than 20 percent by weight of the pomace of such juice or wine, or 30 percent by volume of the lees of such wine, or both (calculated prior to the addition of water to facilitate fermentation or distillation), is classed as fruit brandy and shall be branded as follows:

(1) *Grape brandy.* Fruit brandy derived exclusively from grapes, shall be branded "Grape Brandy" or "Brandy";

(2) *Peach brandy, apple brandy, etc.* Fruit brandy, other than grape brandy, derived exclusively from one variety of fruit, shall be designated by the word "Brandy," qualified by the name of such fruit (e. g., "Peach Brandy," "Apple Brandy," "Orange Brandy"), except that apple brandy may be designated "Applejack."

(3) *Fruit brandy.* Fruit brandy distilled from more than one variety of fruit shall be branded "Fruit Brandy," qualified by a statement of composition (e. g., "Fruit Brandy --% Grapes and --% Blackberries").

(b) *Dried fruit brandy.* Brandy that conforms to the standard for fruit brandy, except that it has been derived from sound dried fruit, or from the standard wine of such fruit, shall be branded as follows:

(1) *Raisin brandy.* Brandy derived from raisins, or from raisin wine, shall be branded "Raisin Brandy."

(2) *Dried peach brandy, dried apple brandy, etc.* Other brandies derived from sound dried fruit, or from the standard wine of such fruit, shall be branded in the same manner as fruit brandy from the corresponding variety or varieties of fruit except that the name of the fruit shall be qualified by the word "Dried."

(c) *Lees brandy.* Brandy distilled from the lees of standard grape, citrus, or other fruit wine, which are run into the still, shall be branded "Lees Brandy," qualified by the name of the fruit from which such wine and lees are derived (e. g., "Grape Lees Brandy").

(d) *Pomace brandy.* Brandy distilled from the skin and pulp of sound, ripe grapes, citrus, or other fruit which are run into the still, after the withdrawal of the juice or wine therefrom, shall be branded "Pomace Brandy," or "Marc Brandy," qualified by the name of the fruit from which derived (e. g., "Grape Pomace Brandy"). Grape pomace brandy may be designated as "Grappa" or "Grappa Brandy."

(e) *Residue brandy.* Brandy distilled wholly or in part (except as provided in paragraph (a) of this section) from the residue of fruit or wine shall be branded "Residue Brandy," qualified by the name of the fruit from which derived (e. g., "Grape Residue Brandy").

(f) *Optional branding.* Brandy distilled wholly or in part from residue materials which conforms to any of the standards set forth in paragraphs (a), (b), (c), and (d) of this section, may, regardless of such fact, be branded "Residue Brandy," qualified by the name of the fruit from which derived; but such designation shall be conclusive, precluding any later change of designation.

(g) *Neutral brandy.* Brandy distilled at more than 170 degrees of proof and less than 190 degrees of proof, shall be branded in the same manner as if distilled at a lower proof, except that the designation shall be qualified by the word "Neutral," e. g., "Neutral Brandy," "Neutral Grape Lees Brandy," or "Neutral Grape Pomace Brandy," "Neutral Peach Brandy," "Neutral Peach Pomace Brandy," etc.

(h) *Substandard brandy.* Brandy distilled from juice, mash, or wine having a volatile acidity, calculated as acetic acid and exclusive of sulphur dioxide, in excess of 0.20 gram per 100 cubic centimeters (20° C.), (the volatile acidity shall be calculated exclusive of water added to facilitate distillation), and brandy which has been distilled from unsound, moldy, diseased, or decomposed juice, mash, wine, lees, pomace or residue, or which shows in the finished product any taste, aroma, or characteristic associated with products distilled from such material, shall be branded "Substandard Brandy" qualified by the name of the material from which derived.

(i) *Treatment with wood chips.* Brandy as defined in this section which in whole or in part is treated with wood chips through percolation or otherwise, during distillation or storage, shall be

further marked, either by branding or stenciling, with the words "Treated with oak chips."

(1) *Burnt sugar or caramel.* Where burnt sugar or caramel is added to brandy, the letters "B. S. A." will be marked on the head of the package.

(Secs. 2878, 2883, 3036, I. R. C.)

§ 184.574 *Neutral spirits—fruit.* All spirits distilled from fruit at or above 190 degrees of proof shall be branded "Neutral Spirits—Fruit." In the case of fruit neutral spirits produced for fortification, the words "Neutral Spirits—Fruit" branded on the package shall be followed by the name of the fruit from which produced. Such branding shall be in the following form: "Neutral Spirits—Fruit—Grape."

(Secs. 2878, 2883, I. R. C.)

§ 184.575 *Spirits—fruit.* Spirits distilled from fruit at less than 190 degrees of proof which are not to be branded in accordance with § 184.573 shall be branded "Spirits—Fruit."

(Secs. 2878, 2883, I. R. C.)

ADDITIONAL REQUIREMENTS RELATING TO MARKING

§ 184.576 *Distiller to mark and brand packages.* The prescribed marks and brands peculiar to individual packages, whether the same are required to be cut, burned, imprinted, or stenciled, shall be placed upon the package by the distiller, under the supervision of the storekeeper-gauger.

(Sec. 2878, I. R. C.)

§ 184.577 *Mechanical labor and materials.* All mechanical labor pertaining to the gauging of packages of brandy at the distillery shall be performed by the distiller. All materials and facilities required in connection with the application of marks and stamps shall be furnished by the distiller, except the instruments for proofing the spirits.

(Secs. 2878, 2883, I. R. C.)

§ 184.578 *Testing of scales.* The storekeeper-gauger shall balance the scales before weighing either empty or filled packages, and will frequently test, by means of test weights provided in accordance with § 184.123, the accuracy of such scales. During the process of weighing he shall personally verify the weight of each package and record it in the proper column of Form 1520. The storekeeper-gauger will not permit the use of any scales which upon testing are found to be inaccurate.

(Sec. 2808, I. R. C.)

§ 184.579 *Proofing of spirits.* The storekeeper-gauger shall personally take the proof of all spirits gauged and enter the same on Form 1520. The storekeeper-gauger will follow strictly the instructions set forth in the Gauging Manual (26 CFR, Part 186) respecting the proofing of spirits, in order that the proof may be accurately determined. Hydrometers for determining the proof of spirits are furnished storekeeper-gaugers by the Government. The use of other than official hydrometers by store-

keeper-gaugers is prohibited and their use by proprietors will not be permitted.

(Secs. 2808, 2884, I. R. C.)

§ 184.580 *Verification of marks and brands.* The storekeeper-gauger shall verify the tare, proof and proof gallons marked on the packages by comparison with his gauge report, Form 1520, and shall satisfy himself of the accuracy and correctness of the marks and brands and stamps (if any).

§ 184.581 *Obliteration of stamps, marks, and brands on empty packages.* When packages of brandy are emptied, all stamps, marks, and brands required to be placed thereon must be completely effaced and obliterated. Where a portion of a stamp is cut out for submission to the district supervisor, when packages are dumped for rectification or for bottling without rectification, the remnant remaining affixed to the package must be completely effaced and obliterated when the package is emptied.

(Sec. 2886, I. R. C.)

TAX PAYMENT IN PACKAGES

§ 184.582 *Application, Form 179.* Whenever the distiller desires to taxpay and remove brandy in packages from the distillery, he shall execute application therefor on Form 179, in quadruplicate. Where the brandy is to be removed from receiving or storage tanks the distiller shall state, in addition to other applicable data on the form, the maximum quantity to be removed. Separate applications shall be filed for the removal of brandy from receiving or storage tanks. All copies of the application will be delivered to the storekeeper-gauger, if one is regularly assigned to the distillery; otherwise, it will be forwarded to the district supervisor, who will assign an officer to supervise the removal.

§ 184.583 *Gauge and tax payment.* If the brandy to be removed is in previously filled packages the storekeeper-gauger will, upon receipt of the application, inspect the packages but will not regauge the same unless the circumstances are such as to make it advisable, as provided in § 184.566. If the brandy is contained in receiving storage tanks, it will be drawn into packages and gauged, marked, and branded. The details of the gauge or regauge, as the case may be, will be entered by the storekeeper-gauger on Form 1520, in quadruplicate. Where the brandy is removed on the original gauge the storekeeper-gauger will copy the necessary details of such gauge on Form 1520, in quadruplicate. Three copies of Form 1520, accompanied by all copies of Form 179 with the storekeeper-gauger's report thereon duly executed, will be delivered by the storekeeper-gauger to the distiller. The distiller will enter the description of the packages in the space provided therefor on Form 179, if the application covers packages not filled at the time the application was executed, and will then forward all copies of both forms to the collector of internal revenue with remittance in cash or by certified check or post office money order for the tax.

(Sec. 4017, I. R. C.)

§ 184.584 *Issuance of tax-paid stamps.* The collector will issue the tax-paid stamps. Each tax-paid stamp shall bear the signature of the collector, who shall write or stamp thereon the date of payment of the tax, by whom paid, the number of gallons and tenths of gallons of proof spirits, and serial number of cask. Facsimile signatures of collectors may be affixed by the use of hand stamps to the tax-paid stamps, care being taken to use only such ink as will neither fade nor blur. The collector will enter the serial numbers of the stamps in the appropriate spaces on all copies of Form 1520, sign the certificate of tax payment on each copy of Form 179, retain one copy each of Form 179 and Form 1520, and return the remaining three copies of Form 179 and two copies of Form 1520 to the distiller with the stamps.

(Sec. 2800, I. R. C.)

§ 184.585 *Removal of brandy.* The distiller shall immediately deliver all copies of Form 179 and Form 1520, with the tax-paid stamps, to the storekeeper-gauger, who will verify the data thereon with his retained copy of Form 1520 and, if no discrepancies are found, he will note the serial numbers of the stamps on the retained copy of Form 1520 and, after affixing his signature to the stamps, which may be by the use of a facsimile stamp, will return them to the distiller. The distiller will mark and brand the packages as provided by § 184.570 and affix the stamp as provided in § 184.586. The stamp must be affixed to the Government head of the package on the left side, and except as provided herein, on the right side opposite the stamp there will be marked the serial number of the tax-paid stamp and the date of tax payment. These withdrawal marks may be waived by the district supervisor when packages of brandy are to be removed to a tax-paid bottling house or rectifying plant in the immediate vicinity of the distillery for prompt bottling or dumping for rectification where the establishments are owned by the proprietor of such distillery or a subsidiary. When the packages have been marked and stamped, as required, they must be promptly removed from the distillery premises. After removal of the brandy, the storekeeper-gauger will execute his statement of the date of withdrawal on the three copies of Form 179, retain one copy each of Form 179 and Form 1520, deliver one copy of each to the distiller, and forward one copy of each to the district supervisor.

(Secs. 2878, 2883, 3170, I. R. C.)

§ 184.586 *Affixing and canceling stamps.* The tax-paid stamps to be affixed by the proprietor as provided by § 184.585 will be securely affixed to the Government head of the package in such manner as to effectively prevent removal without mutilation. The stamp will be canceled immediately after it has been affixed to the barrel by imprinting with five parallel wavy lines across the stamp, the stencil for which shall be provided by the proprietor. The stamp will be covered with a protective coating of varnish, shellac, or lacquer which is sufficiently transparent to permit legibil-

ity of the markings on the stamp, except where the packages are to be transferred to contiguous premises and the coating is not required for protecting the legibility of the stamp. Such stamps must remain upon the packages until the spirits therein are emptied or drawn off.

**TAX PAYMENT FOR REMOVAL BY PIPELINE
OR IN RAILROAD TANK CARS**

§ 184.587 *Application, Form 179.* Whenever the distiller desires to taxpay and remove brandy from the distillery by approved pipelines to contiguous premises, or in railroad tank cars, he shall execute application therefor on Form 179, in quadruplicate. The distiller shall state, in addition to other applicable data on the form, the approximate quantity to be withdrawn and whether such removal will be by pipeline or by tank car. All copies of Form 179 shall be delivered to the storekeeper-gauger, whereupon such brandy will be run into a weighing tank and gauged for removal. The storekeeper-gauger shall enter the details of the gauge on Form 1520, in quintuplicate. The proof at which the brandy was distilled, and in the case of tank car shipments, the number and name or symbols of the owner of the tank car, shall be noted on Form 1520 by the storekeeper-gauger. The storekeeper-gauger will execute his report on each copy of Form 179 and will return all copies thereof, with four copies of Form 1520 attached, to the distiller, who will enter in the space provided therefor on each copy of Form 179, the description of the brandy gauged.

(Secs. 2800, 2878, 2883, 4017, I. R. C.)

§ 184.588 *Application for certificate of tax payment, Form 1594.* The distiller will forward all copies of Form 179, and Form 1520, with Form 1594, in duplicate, if the vendee is located in the same supervisory district and in triplicate if the vendee is located in a different supervisory district, accompanied by proper remittance for the tax, to the collector of internal revenue. Form 1594 will be appropriately modified to cover the transfer by pipeline.

(Secs. 2800, 2883, I. R. C.)

§ 184.589 *Certificate of tax payment, Form 1595.* The collector will issue Form 1595, appropriately modified in the case of pipeline transfers, to show "For Removal by Pipeline", note the tax payment, including the serial number of the certificate, on all copies of Form 1520, and execute his certificate on tax payment on all copies of Form 179. The collector shall fill in all the required data in the blank spaces on the certificate, except those provided in the lower left corner for the verification of the storekeeper-gauger, and shall date and sign the certificate in the same manner as required for a tax-paid stamp by § 184.584. This certificate is not negotiable and shall not be used for any brandy other than that described therein. The collector will enter on the original and the copy or copies of Form 1594 in the space provided, the serial number, date and amount of the certificate issued. The collector will retain

one copy each of Form 179 and Form 1520 and the original copy of Form 1594, and will mail or deliver the certificate, Form 1595, and the original and remaining copies of Form 179 and Form 1520 to the distiller or his designated agent, in accordance with the distiller's request on Form 1594. Where the certificate, Form 1595, covers a removal of brandy by pipeline or a tank car shipment to a consignee in the same supervisory district, the collector will send the copy of the application, Form 1594, to the district supervisor, and, in case the certificate, Form 1595, covers a tank car shipment of brandy to a consignee located in a different supervisory district, the collector will send the remaining copy of Form 1594 to the supervisor of the district in which the consignee is located.

(Secs. 2800, 2833, I. R. C.)

§ 184.590 *Route board.* Railroad tank cars used for transportation of tax-paid brandy must be equipped with a route board at least 10 by 12 inches in size, to which Form 1595 can be attached. Such board shall be of substantial material and shall be affixed permanently and securely to the tank car by roundheaded or carriage bolts, nutted and riveted, battered, or welded.

(Secs. 2878, 2883, I. R. C.)

§ 184.591 *Bill of lading.* The distiller shall incorporate in the bill of lading a description of Form 1595, as follows:

Form 1595, "Collector's Certificate of Tax Payment of Distilled Spirits for Shipment in Tank Cars."

| | |
|------------------|----------------------------|
| Serial No. ----- | Owner and No. of car ----- |
| Vendor ----- | Address ----- |
| Vendee ----- | Address ----- |

Where no bill of lading is issued, as in the case of transfer of a tank car between plants by switching arrangement or a pipeline transfer, the distiller shall incorporate in Form 1520 such description of Form 1595.

(Secs. 2878, 2883, I. R. C.)

§ 184.592 *Storekeeper-gauger's verification.* The distiller shall give the certificate of tax payment (Form 1595), the bill of lading (if any), and all copies of Form 179 and Form 1520 to the storekeeper-gauger at the distillery. The storekeeper-gauger will verify the contents of the weighing tank and the description of Form 1595 in the bill of lading or on Form 1520, as the case may be, and will date and sign the certificate, Form 1595, in the space provided therefor. The certificate must be attached to a board on the weighing tank.

(Secs. 2800, 2883, I. R. C.)

§ 184.593 *Release of brandy for transfer.* When the certificate of tax payment has been affixed to the weighing tank, it will, in the case of pipeline transfers to contiguous premises, be canceled in the same manner as the taxpaid stamp on a package. The storekeeper-gauger will unlock the outlet valve and permit the distiller to transfer the brandy by pipeline to the contiguous premises named in the certificate. When the brandy is removed to a tank car for shipment, the distiller shall, upon completion of re-

moval from the weighing tank, remove the certificate of tax payment and affix it securely to the route board on the tank car, whereupon it will be canceled in a like manner, and then covered with a coating of transparent varnish, shellac, or lacquer. The brandy shall be transferred only under the immediate supervision of the storekeeper-gauger. The storekeeper-gauger will, at that time, verify the contents of the tank car, release for shipment, and note on all copies of Form 1520 the date of the release. When the tank car is released, the storekeeper-gauger will return the bill of lading (if any) to the distiller, forward one copy each of Form 179 and Form 1520 to the district supervisor, retain one copy of each form, and deliver one copy of Form 179 and two copies of Form 1520 to the distiller, who will forward one copy of Form 1520 to the vendee. Where brandy is transferred by pipeline to contiguous establishments, the storekeeper-gauger will, after release of the brandy, forward one copy each of Form 179 and Form 1520 and the canceled Form 1595 to the district supervisor, retain one copy of Form 179 and Form 1520, and deliver one copy of Form 179 and two copies of Form 1520 to the distiller, who will immediately deliver one copy of Form 1520 to the proprietor of the contiguous establishment.

(Secs. 2800, 2883, I. R. C.)

**DEPOSIT IN WAREHOUSE OPERATED BY THE
DISTILLER ON THE SAME PREMISES**

§ 184.594 *Gauge of brandy, Form 1520.* Where the distiller operates an internal revenue bonded warehouse on the distillery premises and brandy produced at the distillery is to be entered for deposit in such warehouse, the brandy shall, as authorized by §§ 184.535 to 184.540, be drawn into approved containers, gauged, marked, and branded, and then immediately deposited in such warehouse, or shall be run into a weighing tank, immediately gauged and transferred by pipeline into tanks in such warehouse: *Provided,* That where the distillery is not equipped with a weighing tank, the brandy may be transferred by pipeline to a properly equipped weighing tank in such warehouse, gauged, and immediately deposited in storage tanks in the warehouse, or removed for authorized purposes. The brandy will be transferred to the warehouse and deposited therein under the immediate supervision of the storekeeper-gauger. Where brandy intended for the fortification of wine is transferred into warehouse storage tanks, the words "For Fortification of Wine" must be plainly and legibly stenciled upon such tanks. The storekeeper-gauger will enter the details of the gauge on Form 1520, in triplicate, and will note on each copy of Form 1520 the proof at which the brandy was distilled and, if transferred to a warehouse tank, the serial number thereof. Upon completion of the form, the storekeeper-gauger will deliver all copies thereof to the distiller for the execution of his entry of the brandy for deposit.

(Secs. 2800, 2878, 2883, 3070, 4017, I. R. C.)

§ 184.595 *Distiller's entry for deposit.* The distiller's entry for deposit shall be executed in the following form:

(Date)
The distilled spirits described herein are hereby entered for deposit in Internal Revenue Bonded Warehouse No. _____, State of _____

(Distiller)

The entry shall be executed on the same date that the spirits are removed from the distillery. If brandy intended for the fortification of wine is transferred to storage tanks, the distiller shall make notation to that effect in connection with the entry for deposit. After execution of the entry the distiller shall return the three copies of Form 1520 to the storekeeper-gauger, who will retain one copy as a permanent record of the deposit of the spirits in the warehouse, forward one copy to the district supervisor, and deliver one copy to the distiller.

(Secs. 2879, 3170, I. R. C.)

§ 184.596 *Mixing of different brandies prohibited.* The product of two or more distillers shall not be mingled in a storage or weighing tank; nor shall brandies produced from different fruits or berries, or which differ in kind according to the standards of identity established under the Federal Alcohol Administration Act, be mingled in a storage or weighing tank; nor shall brandies produced from the same kind of fruit or berry during different distilling seasons be so mingled.

(Sec. 3254, I. R. C.)

§ 184.597 *Sufficiency of warehouse bond.* Where the bond covering the operation of an internal revenue bonded warehouse on the distillery premises is given in less than the maximum penal sum of \$200,000, as shown by the record furnished by the district supervisor pursuant to Regulations 10 (26 CFR, Part 185), the storekeeper-gauger in charge of the warehouse will see that the tax liability on the quantity of distilled spirits deposited in the warehouse, plus the tax liability on distilled spirits represented by all outstanding approved Forms 236 (§§ 184.601 and 184.614) is within the limits of the penal sum of the bond.

DEPOSIT IN WAREHOUSE OPERATED BY THE DISTILLER ON CONTIGUOUS PREMISES

§ 184.598 *Procedure.* Where the distiller operates an internal revenue bonded warehouse on premises contiguous to the distillery premises, and the location of the warehouse is such that the storekeeper-gaugers assigned to the distillery and the warehouse are able to maintain the same supervision of the deposit in such warehouse of brandy produced at the distillery as is required in the case of the deposit in a warehouse on the distillery premises of brandy produced at such distillery, the distiller may deposit brandy in such contiguous warehouse in accordance with the procedure prescribed in § 184.594 for the deposit of brandy in an internal revenue bonded warehouse operated by the distiller on the distillery premises, except that where

separate Government offices are maintained for the distillery and the warehouse an extra copy of Form 1520 will be prepared and one copy of such form will be filed in each Government office. When brandy is so deposited, the storekeeper-gauger assigned to the distillery will in each instance deliver directly to the storekeeper-gauger at the warehouse a copy of the Form 1520. The storekeeper-gauger supervising the warehouse will personally verify the number of containers and the quantity of brandy received for deposit. Where the brandy cannot be deposited under such direct supervision, the procedure prescribed in §§ 184.600 to 184.612 will be followed.

(Secs. 2878, 2883, 3070, I. R. C.)

§ 184.599 *Sufficiency of warehouse bond.* Where the bond covering the operation of an internal revenue bonded warehouse on premises contiguous to the distillery premises is given in less than the maximum penal sum of \$200,000, as shown by the record furnished by the district supervisor pursuant to Regulations 10 (26 CFR, Part 185), and brandy produced at the distillery is deposited in such warehouse in accordance with the procedure prescribed in § 184.598, the storekeeper-gauger in charge of the warehouse will see that the tax liability on the quantity of distilled spirits deposited in the warehouse, plus the tax liability on distilled spirits represented by all outstanding approved Forms 236 (§§ 184.601 and 184.614) is within the limits of the penal sum of the bond.

TRANSFER TO WAREHOUSE OFF DISTILLERY PREMISES IN SAME DISTRICT, EXCEPT WAREHOUSE OPERATED BY DISTILLER ON CONTIGUOUS PREMISES

§ 184.600 *Application, Form 236.* Where brandy is to be transferred to and entered for deposit in an internal revenue bonded warehouse located off the distillery premises in the same supervisory district, and such warehouse is not operated by the distiller on premises contiguous to the distillery premises, the proprietor of the receiving warehouse shall execute an application for the transfer of the brandy on Form 236. The applicant shall enter all applicable data indicated by the form including the maximum quantity in tax gallons to be transferred in any one truck, railroad car, or other vehicle, and the type of conveyance. The name of the carrier shall not be specified on Form 236. The applicant shall prepare an original and five copies of Form 236 and give them to the storekeeper-gauger in charge of the receiving warehouse.

(Secs. 2878, 2883, I. R. C.)

§ 184.601 *Storekeeper-gauger's certificate of sufficiency of warehouse bond.* Upon receipt of Form 236 by the storekeeper-gauger in charge of the warehouse, he will compare the penal sum of the bond as stated in the application with his record furnished by the district supervisor pursuant to Regulations 10 (26 CFR, Part 185). If the bond is given in the maximum penal sum of \$200,000, he will certify to the sufficiency thereof on Form 236 and return all six copies of the form to the proprietor of the ware-

house. If the bond is given in less than the maximum penal sum, the storekeeper-gauger in charge will determine from his records whether the tax liability on the quantity of brandy represented by the Form 236, plus the quantity of distilled spirits stored in the warehouse, plus the quantity represented by all outstanding approved Forms 236, is within the limits of the penal sum of the transportation and warehousing bond. If so, he will certify to the sufficiency of the bond on Form 236, record such certification in his records, and return all six copies of the form to the proprietor. If the transportation and warehousing bond is not sufficient, he will certify to that fact on Form 236 and return all six copies to the proprietor. The proprietor will forward all six copies of the approved Form 236 to the proprietor of the consignor-distillery. The proprietor of the warehouse will be responsible for all outstanding approved Forms 236. If, at any time, he decides not to use one, he will obtain all copies from the consignor and give them to the storekeeper-gauger in charge of the warehouse for cancellation and return to the proprietor of the warehouse.

§ 184.602 *Brandy to be transferred.* When the distiller desires to make shipment, he will give a copy of Form 236 to the storekeeper-gauger in charge and furnish him a complete description of the brandy to be shipped.

§ 184.603 *Report of gauge.* Unless previously packaged, the brandy designated by the proprietor to be transferred will, as authorized by §§ 184.535 to 184.540, be drawn from the receiving or storage tanks into casks or packages, gauged, marked and branded, or into a weighing tank, gauged, and run by pipeline into a properly equipped tank car, or into tanks located in a contiguous internal revenue bonded warehouse not operated by the distiller. The quantity transferred shall not exceed the maximum stated in the application. The details of the gauge will be entered by the storekeeper-gauger on five copies of Form 1520. If the packages to be transferred were previously filled the storekeeper-gauger will inspect them but will not regauge the same, unless the circumstances are such as to make a regauge advisable. Where packages previously filled are removed on the filling gauge, the storekeeper-gauger will prepare five copies of Form 1520, copying the details from the report of the filling gauge. Where a distiller desires to transfer packages of brandy in a sealed conveyance, such as a railroad box car or a closed van, serially numbered seals for the sealing of the conveyance shall be furnished by the distiller. When the conveyance is loaded the distiller shall attach the seals thereto and the storekeeper-gauger will enter the serial numbers thereof on the Form 236. If the distiller seals the bungs of packages of brandy in a manner satisfactory to the Commissioner, the storekeeper-gauger will note such fact on the Form 1520.

(Secs. 2878, 2883, 4017, I. R. C.)

§ 184.604 *Markings on tank car.* Each railroad tank car used to transport

brandy in bond must have permanently and legibly marked or painted thereon its number, capacity in gallons, and the name or symbols of the owner, and must be so constructed that all openings may be closed and securely locked, and no such tank car may be used for transportation of distilled spirits in bond unless it is so locked.

(Sec. 2883, I. R. C.)

§ 184.605 Locks and seals. Seal locks, to be furnished by the distiller, and seals for the same, to be furnished by the Government, will be used for locking the tank car, and such locks will be attached as soon as the car is filled. The key of each seal lock so used will be forwarded on the day of shipment by the storekeeper-gauger at the distillery to the storekeeper-gauger at the warehouse. The locks and keys will be promptly returned to the distiller by the storekeeper-gauger at the warehouse when the tank car is emptied or the spirits are tax-paid.

(Sec. 2883, I. R. C.)

§ 184.606 Inspection of tank car. Upon receiving an order to gauge brandy to be transferred in bond in a railroad tank car, the storekeeper-gauger at the distillery will inspect the car to see that the dome may be locked with a seal lock when closed, and that all other openings of the car may be closed and securely fastened on the inside or locked in like manner. If the car is not so constructed, the officer will not permit it to be filled.

(Secs. 2878, 2883, I. R. C.)

§ 184.607 Filling of tank car. The tank car must be filled in the immediate presence of the storekeeper-gauger. The pipeline from the distillery weighing tank to the tank car must be in full view of the officer and must not be connected or used except in his presence. The officer will seal lock the car as soon as it is filled. The officer will enter on Form 1520, covering the gauge of the brandy, the level of the brandy above or below the full mark, and the temperature of the brandy at filling; for example: "Filled 2 inches above full mark at 80 degrees F." The storekeeper-gauger will note on Form 236 the serial numbers of locks and seals used on the tank car.

(Secs. 2878, 2883, I. R. C.)

§ 184.608 Route board. Railroad tank cars used for the transportation of brandy in bond must be equipped with a route board at least 10 by 12 inches in size. Such board shall be of substantial material and shall be affixed permanently and securely to the tank car by round-headed or carriage bolts, nutted and riveted, battered or welded.

(Secs. 2878, 2883, I. R. C.)

§ 184.609 Label to be attached. When brandy is shipped in bond in a railroad tank car, a label dated and signed by the storekeeper-gauger showing that the brandy is shipped in bond and giving the name, registered number and location (city or town and State) of the distillery from which shipped, and the warehouse to which shipped, shall be se-

curely attached to the route board, where it may be readily examined by Government officers. The label, which will be furnished by the distiller, will be in substantially the following form:

Shipped in bond by
CALIFORNIA GRAPE COMPANY
F. D. No. 80, Fresno, Calif.

to
FRISCO WAREHOUSE COMPANY
I. R. B. W. No. 50, San Francisco, Calif.

(Date) (Storekeeper-gauger)
(Secs. 2878, 2883, I. R. C.)

§ 184.610 Distiller's entry for deposit. When the brandy has been packaged, gauged for transfer by pipeline to tanks in a contiguous internal revenue bonded warehouse not operated by the distiller, or run into a railroad tank car and such tank car seal-locked, the storekeeper-gauger in charge will deliver the copy of Form 236 and the five copies of Form 1520 to the distiller. The distiller shall, on the same date that the brandy is to be removed from the distillery, execute on all six copies of Form 236, the description of the packages, tank car, or pipeline transfer, and on all five copies of Form 1520, the entry for deposit. He shall immediately return all copies of such forms to the storekeeper-gauger in charge who will release the brandy for shipment.

(Secs. 2800, 2879, 2883, I. R. C.)

§ 184.611 Storekeeper-gauger's certificate of removal. Upon removal of the brandy the storekeeper-gauger will execute his certificate of gauge and removal on Form 236. He will retain one copy each of Form 236 and Form 1520, furnish one copy of each form to the distiller, forward one copy of Form 236 to the supervisor-consignor, and forward three copies of each form to the consignee storekeeper-gauger. When shipment is made by truck, the three copies of each form for the storekeeper-gauger in charge of the receiving warehouse will be sealed in an envelope addressed to such storekeeper-gauger and handed to the person in charge of the truck for delivery to him.

(Secs. 2878, 2883, 3170, I. R. C.)

§ 184.612 Storekeeper-gauger's receipt of brandy at warehouse. The storekeeper-gauger at the receiving warehouse will examine each shipment upon its arrival and ascertain and report on Form 1520 any losses or discrepancies and will dispose of Forms 236 and 1520, in accordance with Regulations 10 (26 CFR, Part 185).

(Secs. 2878, 2883, I. R. C.)

TRANSFER TO WAREHOUSE OFF DISTILLERY PREMISES IN DIFFERENT DISTRICT

§ 184.613 Application, Form 236. Where brandy is to be entered for deposit in an internal revenue bonded warehouse located in a different supervisory district than the distillery, the proprietor of the receiving warehouse shall execute an application for the transfer of the brandy on Form 236. The applicant shall enter all applicable data indicated by the form including the maximum quantity in tax gallons to be

transferred in any one truck, railroad car, or other vehicle, and the type of conveyance. The name of the carrier shall not be specified on Form 236. The applicant shall prepare an original and six copies of Form 236 and give them to the storekeeper-gauger in charge of the receiving warehouse.

(Secs. 2878, 2883, I. R. C.)

§ 184.614 Storekeeper-gauger's certificate of sufficiency of warehouse bond. Upon receipt of Form 236 by the storekeeper-gauger in charge of the warehouse, he will compare the penal sum of the bond as stated in the application with his record furnished by the district supervisor pursuant to Regulations 10 (26 CFR, Part 185). If the bond is given in the maximum penal sum of \$200,000, he will certify to the sufficiency thereof on Form 236 and return all seven copies of the form to the proprietor of the warehouse. If the bond is given in less than the maximum penal sum, the storekeeper-gauger in charge will determine from his records whether the tax liability on the quantity of brandy represented by the Form 236, plus the quantity of spirits stored in the warehouse, plus the quantity represented by all outstanding approved Forms 236, is within the limits of the penal sum of the transportation and warehousing bond. If so, he will certify to the sufficiency of the bond on Form 236, record such certification in his records, and return all seven copies of the form direct to the proprietor. If the transportation and warehousing bond is not sufficient, he will certify to that fact on Form 236 and return all seven copies to the proprietor. The proprietor will forward all seven copies of the approved Form 236 to the proprietor of the consignor-distillery. The proprietor of the warehouse will be responsible for all outstanding approved Forms 236. If, at any time, he decides not to use one, he will obtain all copies from the consignor and give them to the storekeeper-gauger in charge of the warehouse for cancellation and return to the proprietor of the warehouse.

§ 184.615 Brandy to be transferred. When the distiller desires to make shipment, he will give a copy of Form 236 to the storekeeper-gauger in charge and furnish him a complete description of the brandy to be shipped.

§ 184.616 Report of gauge. Unless previously packaged, the spirits designated by the proprietor to be transferred will, as authorized by §§ 184.535 to 184.540, be drawn from the receiving or storage tanks into casks or packages, gauged, marked and branded, or into a weighing tank, gauged and run by pipeline into a properly equipped tank car. The quantity transferred shall not exceed the maximum stated in the application. The details of the gauge will be entered by the storekeeper-gauger on six copies of Form 1520. If the packages to be transferred were previously filled the storekeeper-gauger will inspect them but will not regauge the same, unless the circumstances are such as to make a regauge advisable. Where packages previously filled are removed on the filling gauge, the storekeeper-gauger will pre-

pare six copies of Form 1520, copying the details from the report of the filling gauge. Where a distiller desires to transfer packages of distilled spirits in a sealed conveyance, such as a railroad box car or a closed van, serially numbered seals for the sealing of the conveyance shall be furnished by the distiller. When the conveyance is loaded the distiller shall attach the seals thereto and the storekeeper-gauger will enter the serial numbers thereof on the Form 236. If the distiller seals the bungs of packages of brandy in a manner satisfactory to the Commissioner, the storekeeper-gauger will note such fact on the Form 1520.

(Secs. 2878, 2883, 4017, I. R. C.)

§ 184.617 *Tank car requirements.* If the brandy is to be transported in a railroad tank car, such tank car must be constructed, marked, inspected, filled, locked, and labeled as provided in §§ 184.604 to 184.609.

(Secs. 2878, 2883, I. R. C.)

§ 184.618 *Distiller's entry for deposit.* When the brandy has been packaged, or run into a railroad tank car and such tank car seal-locked, the storekeeper-gauger in charge will deliver the copy of Form 236 and the five copies of Form 1520 to the distiller. The distiller shall, on the same date that the brandy is to be removed from the distillery, execute on all seven copies of Form 236 the description of the packages or tank car to be transferred and on all five copies of Form 1520 the entry for deposit. He shall immediately return all copies of such forms to the storekeeper-gauger in charge who will release the brandy for shipment.

(Sec. 2879 (a), I. R. C.)

§ 184.619 *Storekeeper-gauger's certificate of removal.* Upon removal of the brandy the storekeeper-gauger will execute his certificate of gauge and removal on Form 236. He will retain one copy each of Form 236 and Form 1520, furnish one copy of each form to the distiller, forward one copy of each to the supervisor-consignor and forward four copies of Form 236 and three copies of Form 1520 to the consignee storekeeper-gauger. When shipment is made by truck, the four copies of Form 236 and the three copies of Form 1520 for the consignee storekeeper-gauger will be sealed in an envelope addressed to that officer and handed to the person in charge of the truck for delivery to him.

(Secs. 2878, 2883, 3170, I. R. C.)

§ 184.620 *Storekeeper-gauger's receipt of spirits at warehouse.* The storekeeper-gauger at the receiving warehouse will examine each shipment upon its arrival and ascertain and report on Form 1520 any losses or discrepancies and will dispose of Forms 236 and 1520, in accordance with Regulations 10 (26 CFR, Part 185).

(Secs. 2878, 2883, I. R. C.)

KINDS OF BRANDIES THAT MAY BE REMOVED FOR FORTIFICATION OF WINE

§ 184.621 *Kinds.* The kinds of brandies that may be removed for the

fortification of wine are grape brandy, citrus-fruit brandy, peach brandy, cherry brandy, berry brandy, apricot brandy, prune brandy, plum brandy, pear brandy, pawpaw brandy, papaya brandy, pineapple brandy, cantaloup brandy, and apple brandy, produced in accordance with the provisions of § 184.371. No brandy produced otherwise than as specified in such section may be removed for fortification. Brandy produced from grape cheese and a sugar solution may not be removed for the fortification of wine.

(Secs. 3031, 3033, I. R. C.)

REMOVAL OF BRANDY IN PACKAGES FOR FORTIFICATION OF WINE

§ 184.622 *Application, Form 257.* Where it is desired to remove brandy in packages from a fruit distillery for the fortification of wine, application will be made by the winemaker on Form 257, "Application for the Removal of Brandy for Fortification of Wine from Fruit Distilleries and Internal Revenue Bonded Warehouses." The winemaker shall state in the application the penal sum of the bond, Form 700-A. The same application may not include brandy from more than one distillery, nor two or more lots to be removed from the same distillery at different times, except where the distillery is contiguous to the winery, as provided in § 184.627. The application shall be filed in triplicate where the winery and the distillery are in the same supervisory district, and in quadruplicate where they are in different districts. Where the premises are located in the same supervisory district and the bond of the winemaker is given in the maximum penal sum of \$50,000, Form 257 will be submitted to the storekeeper-gauger if one is located at the winery, or at a contiguous fruit distillery or internal revenue bonded warehouse, as the case may be. If no storekeeper-gauger is located at such premises, the application will be submitted, at the discretion of the district supervisor, to a designated storekeeper-gauger in the vicinity of the bonded winery. The district supervisor will notify each storekeeper-gauger designated to approve Forms 257 and advise him that the winemaker's bond is given in the maximum penal sum of \$50,000. He will notify each winemaker concerned where Forms 257 are to be submitted to a storekeeper-gauger. All other Forms 257, that is, (a) those covering intradistrict removals where the bond of the winemaker is in the maximum penal sum but no storekeeper-gauger has been designated to approve Forms 257, (b) those covering intradistrict removals where the bond of the winemaker is not in the maximum penal sum, and (c) those covering interdistrict removals, will be submitted direct to the supervisor of the district in which the winery is located.

(Secs. 3031, 3033, I. R. C.)

§ 184.623 *Action on application, Form 257—(a) By district supervisor.* If the application is in proper order, the quantity of brandy to be withdrawn is not in excess of the applicant's current needs or of the storage capacity of the fortifying

room (see Regulations 7 (26 CFR, Part 178)), and the bond of the winemaker is sufficient to cover the brandy to be procured, the district supervisor will (1) where the distillery is in the same district, execute his certificate on the form and send all three copies to the proprietor of the fruit distillery; and (2) where the distillery is located in another supervisory district, execute his certificate on the form and send all four copies to the supervisor of such district, who will deliver all four copies to the proprietor of the fruit distillery. If a storekeeper-gauger is not located at the fruit distillery, the supervisor of the district in which the fruit distillery is located will designate a storekeeper-gauger to gauge the brandy. If the application is not in order, the supervisor of the district in which the bonded winery is located will return all copies to the winemaker.

(b) *By storekeeper-gauger.* Upon receipt of Form 257 by the storekeeper-gauger, he will compare the penal sum of the bond as stated in the application with the statement furnished by the district supervisor pursuant to § 184.622. If the bond of the winemaker is given the maximum penal sum of \$50,000, the application is in proper order, and the quantity of brandy to be withdrawn is not in excess of the applicant's current needs or of the storage capacity of the fortifying room (see Regulations 7 (26 CFR, Part 178)), he will certify to the sufficiency thereof on Form 257. He will send all copies of Form 257 to the proprietor of the fruit distillery. If the application is not in order, he will return all copies to the winemaker.

(Secs. 3031, 3033, I. R. C.)

§ 184.624 *Gauge of brandy.* The proprietor, upon receipt of Form 257, will execute his description of the brandy to be gauged, on all copies of the form. He will refer them to the storekeeper-gauger assigned to the distillery, or to the storekeeper-gauger designated by the district supervisor pursuant to § 184.623 (a), as the case may be. Where the certificate of sufficiency of the winemaker's bond was executed by a storekeeper-gauger pursuant to § 184.623 (b) and no storekeeper-gauger is assigned to the fruit distillery, the proprietor will request the district supervisor to designate one to gauge and release the brandy. If the brandy to be removed is contained in tanks, the designated packages will be filled, gauged, and marked and branded in accordance with § 184.570. If the packages were previously filled, they will be marked as required, and removed on the original gauge, unless a regauge is deemed advisable. The storekeeper-gauger will prepare four copies of the report of gauge, Form 1520, where the brandy is to be removed at one time to the fortifying room of a contiguous winery, five copies in all other instances where brandy is removed to a winery located in the same supervisory district, and six copies where the winery is located in another district. The storekeeper-gauger will attach one copy of Form 1520 to each copy of Form 257 and will note on the extra copies of Form 1520 the name, registered number, and address of

the winery to which the brandy is to be shipped. No greater quantity of brandy may be gauged or withdrawn than stated in the application.

(Secs. 2878, 3031, 3033, I. R. C.)

§ 184.625 *Distillery and winery on contiguous premises.* Where the distillery and winery are located on contiguous premises, and the storekeeper-gauger at the distillery is charged with supervising the deposit of the brandy in the fortifying room, he will, upon deposit of the brandy, execute his certificates on all copies of Form 257, retain one copy, with Form 1520 attached, at the distillery and one copy at the winery, and forward one copy to the district supervisor. The extra copy of Form 1520 will be delivered to the distiller.

(Secs. 3031, 3033, 3170, 4017, I. R. C.)

§ 184.626 *Distillery and winery not on contiguous premises.* Where the distillery and winery are not located on contiguous premises and the storekeeper-gauger at the distillery is not charged with supervising the deposit of the brandy in the fortifying room of the winery, he will, upon removal of the brandy execute his certificate of gauge and removal on all copies of Form 257, retain one copy with a copy of Form 1520 attached, and immediately forward the remaining copies (two or three, as the case may be), with a copy of Form 1520 attached to each, to the winemaker. The storekeeper-gauger will forward one of the extra copies of Form 1520 to the district supervisor and will deliver one copy to the distiller. When the brandy is received at the winery, the officer detailed to duty thereat will examine the packages, supervise their deposit in the fortifying room, and complete and dispose of the forms in accordance with the provisions of Regulations No. 7 (26 CFR, Part 178).

(Secs. 3031, 3033, 3170, 4017, I. R. C.)

§ 184.627 *Gauging officer's certificate of monthly deposits in contiguous winery.* If the distillery and winery are located on contiguous premises and brandy is to be transferred to the winery from time to time during the month under the supervision of a storekeeper-gauger, the winemaker's application on Form 257 may cover all brandy to be transferred to the winery during the month. If the storekeeper-gauger gauging the brandy supervises its transfer to and deposit in the fortifying room, he will certify to the deposit on each copy of Form 1520 as the brandy is deposited, attach one copy thereof to each copy of Form 257, forward one of the extra copies of Form 1520 to the district supervisor, and deliver one copy to the distiller. At the close of the month the storekeeper-gauger will execute his certificates of gauge and removal and receipt on Form 257, retain one copy thereof, with a copy of each Form 1520 attached, at the distillery as a permanent record, and one copy, similarly completed, at the winery for the same purpose, and forward the other copy to the district supervisor.

(Secs. 3031, 3033, 3170, 4017, I. R. C.)

184.628 *Winery officer's certificate of monthly deposits in contiguous winery.* When brandy is transferred in accordance with § 184.627 and a storekeeper-gauger is separately assigned to duty at the winery, the storekeeper-gauger at the distillery will retain one copy of Form 257 and attach one copy of each Form 1520 thereto as the brandy is gauged, forward one of the extra copies of Form 1520 to the district supervisor, give one of such copies of Form 1520 to the distiller, and deliver the other two copies of Form 257 and Form 1520 to the storekeeper-gauger at the winery, who will certify to the deposit on Form 1520 as the brandy is received and deposited in the fortifying room, and attach a copy of Form 1520 to each copy of Form 257. At the close of the month the storekeeper-gauger at the distillery will execute his certificate of gauge and removal on all three copies of Form 257 and the storekeeper-gauger at the winery will execute his certificate of receipt on all copies of the form. The forms will then be disposed of as provided in § 184.627.

(Secs. 3031, 3033, I. R. C.)

REMOVAL OF BRANDY BY PIPELINE FOR THE FORTIFICATION OF WINE

§ 184.629 *Application, Form 257.* Where it is desired to transfer brandy from the receiving tanks or from storage tanks in the brandy deposit room by pipeline to the fortifying rooms of wineries on contiguous premises, application will be made by the winemaker on Form 257, in triplicate, in the same manner as when brandy is to be transferred in packages, as prescribed in § 184.622. The district supervisor, or the storekeeper-gauger, as the case may be, will execute his certificate on the form as prescribed in § 184.623, the distiller will indicate the brandy to be gauged, as prescribed in § 184.624, and the storekeeper-gauger designated to gauge the brandy will make his report of gauge and execute his certificates of gauge and removal and receipt, and complete and dispose of Forms 257 and Forms 1520, as prescribed in §§ 184.625 to 184.627, in the case of removal in packages. Notation of transfer by pipeline will be made by the storekeeper-gauger on each Form 1520.

(Secs. 3031, 3033, 3170, 4017, I. R. C.)

§ 184.630 *Gauge of brandy.* The brandy will be gauged in weighing tanks in the distillery and run directly from such tanks to fortifying tanks or brandy storage tanks in the fortifying room of the winery, except that where no weighing tank is provided in the distillery, the brandy may be gauged in a weighing tank in the fortifying room, in which case the brandy will be run direct from the receiving tanks in the distillery to the weighing tank in the fortifying room.

(Secs. 2878, 3031, 3033, I. R. C.)

§ 184.631 *Fortifying room not having weighing tank.* Where a weighing tank is not provided in the fortifying room, the brandy may be transferred thereto by pipeline only for immediate use, and only in such quantities as are necessary to fortify a given lot of wine.

In such cases the wine to be fortified will be run into the fortifying tank and the required quantity of brandy to fortify the wine will be gauged in the distillery and run directly into the fortifying tank containing the wine.

(Secs. 3031, 3033, I. R. C.)

§ 184.632 *Deposit in locked tanks.* The pipeline must empty into a closed tank, which will be locked with a Government lock while brandy is being discharged therein, or remains therein. Where the brandy is run directly by pipeline into the fortifying tank, such tank must be fitted with a locked cover. If, however, the weighing tank is located in the fortifying room, it is not necessary that the fortifying tanks be fitted with locked covers.

(Secs. 3031, 3033, I. R. C.)

§ 184.633 *Supervision.* The brandy will be transferred under the immediate supervision of the storekeeper-gauger. The officer supervising the deposit of the brandy in the fortifying room of the winery will see that the pipeline is properly connected with the tank into which the brandy is to be transferred before the valve permitting the flow of brandy to such tank is opened. The storekeeper-gauger will also see that the valves controlling the flow of brandy into or out of tanks are locked with Government locks at all times, except when necessary to be open for the transfer of brandy. The keys will remain in the custody of the storekeeper-gauger or, if no storekeeper-gauger is assigned to the distillery, in the custody of the district supervisor or other officer designated by him. The officer will also see that no pipeline is used for the transfer of brandy unless it has been inspected, and has been approved by the district supervisor.

(Secs. 3031, 3033, I. R. C.)

REMOVAL OF BRANDY IN TANK CARS FOR FORTIFICATION OF WINE

§ 184.634 *Application, Form 257.* Where it is desired to remove brandy in railroad tank cars to the fortifying room of a winery, application will be made by the winemaker on Form 257 in the same manner as when brandy is removed in packages, as prescribed in § 184.622. The district supervisor, or the storekeeper-gauger, as the case may be, will execute his certificate on the form as prescribed in § 184.623, the distiller will indicate the brandy to be gauged, as prescribed in § 184.624, and the storekeeper-gauger designated to gauge the brandy will make his report of gauge and execute his certificate of gauge and removal and dispose of Forms 257 and Forms 1520, as prescribed in §§ 184.625 to 184.628, in the case of removal in packages. The winemaker will state on his application that the brandy is to be transported by railroad tank car.

(Secs. 3031, 3033, 3170, 4017, I. R. C.)

§ 184.635 *Tank car requirements.* Railroad tank cars used to transport brandy for the fortification of wine must be constructed, marked, inspected, filled, and seal-locked in the same manner as railroad tank cars used to transport

brandy to an internal revenue bonded warehouse. (See §§ 184.604 to 184.608.) The key of each seal lock used in locking the tank car will be forwarded on the day of shipment by the storekeeper-gauger at the distillery to the storekeeper-gauger, if any, at the winery. Where no officer is regularly assigned at the winery when the brandy is shipped, the district supervisor will direct that the keys be forwarded to him. All locks and keys will be returned by the officer at the winery to the distillery from which the brandy was shipped.

(Secs. 3031, 3033, I. R. C.)

§ 184.636 *Notations on Forms 257 and 1520.* When the tank car is shipped, the storekeeper-gauger will enter on Form 257 the serial numbers of the locks and seals used on the tank car and will enter on Form 1520, covering the gauge of the brandy, the level of the brandy above or below the full mark and the temperature of the brandy after filling, for example: "Filled two inches above full mark at 80° F."

(Secs. 3031, 3033, I. R. C.)

§ 184.637 *Label to be attached.* When brandy is shipped in bond in a railroad tank car to a winery for fortification of wine, a label, dated and signed by the storekeeper-gauger, showing that the brandy is shipped in bond for fortification and giving the name, registered number, and location (city or town and State) of the distillery from which shipped, and the winery to which shipped, shall be securely attached to the route board of the car, where it may be readily examined by Government officers. The label, which will be furnished by the distiller, will be substantially the following form:

Shipped in bond by
CALIFORNIA GRAPE COMPANY
F. D. No. 80, St. Helena, Calif., 14th Dist.,
to
WESTERN WINE COMPANY
B. W. No. 50, Santa Rosa, Calif., 14th Dist.
For fortification of wine

(Date) (Storekeeper-gauger)

This label will be scraped and obliterated immediately the tank car is emptied.

(Secs. 3031, 3033, I. R. C.)

REMOVAL OF BRANDY, FREE OF TAX, FOR EXPORTATION

§ 184.638 *Procedure.* Where the distiller desires to remove brandy of not less than 180 degrees proof, free of tax, from the distillery receiving tanks for exportation in tank cars, he will file application on Form 206, in quintuplicate, and bond on Form 547, 548, 657, or 658, as the case may be, in triplicate, with the district supervisor and otherwise comply with all applicable requirements of the regulations governing the withdrawal of distilled spirits from internal revenue bonded warehouses, free of tax, for exportation (26 CFR, Part 185), which regulations are hereby extended to cover the exportation, free of tax, of brandy from the distillery.

(Secs. 2885, 2886, 2888, I. R. C.)

SUBPART Y—LOSSES OF BRANDY ON PREMISES OF A FRUIT DISTILLERY OR IN TRANSIT THERETO

§ 184.650 *Loss by theft.* The tax shall be collected on brandy stolen while on the premises of a fruit distillery or in transit thereto for redistillation, unless the distiller submits proof as to the cause of the loss and establishes to the satisfaction of the Commissioner that it did not occur as the result of connivance, collusion, fraud, or negligence on the part of the distiller, warehouseman, consignor, consignee, bailee, or carrier or the employees of any of them. Claim for remission of tax on brandy lost by theft shall be filed as provided in this subpart. The tax on brandy lost by theft may be remitted or refunded only to the extent that the claimant is not indemnified or recompensed for such tax.

(Secs. 2883, 2901, I. R. C.)

§ 184.651 *Unauthorized voluntary destruction.* The tax shall be collected on brandy voluntarily destroyed while on the premises of a fruit distillery or in transit thereto for redistillation, unless such spirits were unfit for use for beverage purposes, and the distiller or other person responsible for the tax obtained authorization for such destruction in each case, as required by this part.

(Secs. 2883, 2901, I. R. C.)

§ 184.652 *Losses except by theft.* The tax on brandy lost otherwise than by theft while on the premises of a fruit distillery or in transit thereto, may be remitted to the extent that the claimant is not indemnified or recompensed for such tax. In the case of any such loss of brandy prior to payment of the tax thereon, the district supervisor may require the distiller, owner, or other person responsible for the tax to submit proof as to the cause of such loss and, where deemed necessary, to file a claim for remission of the tax as provided by this subpart.

(Secs. 2883, 2901, I. R. C.)

§ 184.653 *Report of losses.* Losses of brandy on the premises of a fruit distillery or in transit thereto must be reported to the district supervisor by the distiller immediately after the losses are discovered. Where losses of brandy in the fruit distillery occur or are discovered while a Government officer is on duty, the officer will immediately make a full report of the loss to the district supervisor. The report should set out the nature, cause, and extent of the loss in sufficient detail to bring out all the known material facts and circumstances surrounding the loss. The condition of each receiving tank or other container from which loss has been sustained, and the quantity lost therefrom, should be reported by the officer.

(Sec. 2901, I. R. C.)

§ 184.654 *Investigation by district supervisor.* The district supervisor will consider the nature and extent of any loss reported by the distiller or Government officer and will immediately make such investigation and require such evidence to be submitted as he may deem necessary. Whenever so required the

district supervisor will forward reports and data relating to losses to the Commissioner for review.

(Sec. 3170, I. R. C.)

§ 184.655 *Filing of claims.* Claims for remission of tax on brandy lost on the premises of a fruit distillery or in transit thereto, when required, will be filed promptly with the supervisor of the district in which the distillery is located. Where a required claim for remission of tax on such brandy is not filed as provided in §§ 184.650 and 184.652, the district supervisor will report the matter to the Commissioner for assessment in accordance with prescribed procedure.

(Secs. 2883, 2901, I. R. C.)

§ 184.656 *Form of claims.* Claims for remission of tax for losses occurring on fruit distillery premises, or in transit thereto, shall be made on letter size paper, in duplicate, and shall set forth, under oath, the following information:

(a) The name of the distiller and the registry number and location of the distillery;

(b) The serial numbers of the receiving tanks or other containers from which the brandy was lost;

(c) The quantity of brandy lost from each receiving tank or other container, and the total quantity of brandy covered by the claim;

(d) The total amount of tax for which the claim is filed;

(e) The date of the loss, or, if such date is not known, the date on which the loss was discovered, and the cause and nature thereof, together with all the facts surrounding the loss;

(f) The name of the carrier, if any;

(g) If lost by theft, whether the loss occurred as the result of connivance, collusion, fraud, or negligence on the part of the distiller, warehouseman, owner, consignor, consignee, bailee or carrier, or the employees of any of them;

(h) Whether the claimant is indemnified or recompensed for the tax, and, if so, the amount and nature of such indemnity or recompense. The actual value of the brandy, less the tax, must be stated explicitly, and where required, certified copies of all policies of insurance or other documents of indemnity covering the brandy must be furnished.

(Secs. 2883, 2901, I. R. C.)

§ 184.657 *Supporting statements.* Claims for remission of tax on brandy lost while on the premises of a fruit distillery or in transit thereto, must be supported by affidavits of persons having personal knowledge of the loss.

(Sec. 2901, I. R. C.)

§ 184.658 *Examination of claim.* When a claim for remission of tax is received by the district supervisor he will carefully examine the same to see that all the required information has been furnished, and will cause such investigation to be made or require such additional evidence to be submitted as he may deem necessary. Upon completion of his investigation, if any, the district supervisor will forward the claim and accompanying papers, together with any pertinent reports and documentary evi-

dence, to the Commissioner with his recommendation in respect to the allowance or disallowance of the claim.

§ 184.659 *Records.* Where spirits are lost or destroyed after they have been gauged for removal, or for deposit in the brandy deposit room, appropriate entry will be made by the distiller in the summary, on Form 15, of spirits produced, disposed of, and on hand. In case of loss or destruction of spirits before they are gauged, the distiller will make a notation thereof on Form 15, and attach to each copy of such form an explanatory statement of the loss.

(Sec. 2841, I. R. C.)

§ 184.660 *District supervisor's account.* An account of losses of brandy on the distillery premises shall be kept on Form 1691. The account shall show all the information as indicated in the heading and by the various columns and as required by instructions issued in respect thereto and by this part.

§ 184.661 *Prior losses.* Any claims for the remission or refund of the tax on brandy lost prior to September 1, 1950, shall be subject to the provisions of section 2901 of the Internal Revenue Code and of this part as they existed prior to that date.

SUBPART Z—BRANDY PRODUCED AND NOT ACCOUNTED FOR

§ 184.670 *Commissioner to make assessments.* Under the law, it is the duty of the Commissioner to inquire and determine whether the distiller has accounted for all the brandy produced by him. If the Commissioner finds that the distiller has not accounted for all the brandy produced by him, he shall, from all the evidence he can obtain, determine what quantity of brandy was actually produced by such distiller and make an assessment for the difference between the quantity reported and the quantity shown to have been actually produced, at the rate imposed by law.

(Sec. 2846, I. R. C.)

§ 184.671 *Prompt filing of returns required.* In order that there may be no unnecessary delay in making assessments, district supervisors will take such steps as may be necessary to secure the filing of fruit distillers' returns on Form 15 and storekeeper-gaugers' reports on Form 1520 within the time prescribed by law.

§ 184.672 *District supervisor's examination of returns.* Upon receipt of the distiller's return, Form 15, the district supervisor will examine it to determine whether the distiller has accounted for all the brandy produced by him during the month. If he finds that the distiller apparently has not accounted for all the brandy produced by him, he shall make such investigation as he may deem necessary and determine, from all the evidence he can obtain, the quantity of brandy actually produced by the distiller.

(Secs. 2846, 3170, I. R. C.)

§ 184.673 *Use of materials not reported.* If the district supervisor should find that the distiller has received on

his premises materials which have not been accounted for, or has used materials which have not been reported as used, and has produced brandy which has not been reported, the quantity of brandy produced and not reported should be determined from all the evidence that can be obtained, including evidence of the normal actual yield of brandy from such materials at the particular plant.

(Secs. 2846, 3170, I. R. C.)

§ 184.674 *Determining brandy produced.* If it is found that all materials received have been accounted for and all materials used have been reported, but that the distiller has not accounted for all the brandy produced, the quantity actually produced should be determined from all the evidence that can be obtained. The evidence that brandy has been produced from materials reported used and has not been accounted for by the distiller should be direct and positive.

(Sec. 2846, I. R. C.)

§ 184.675 *Notice to distiller.* If it is determined that the distiller has not accounted for all the brandy produced by him, the district supervisor will, unless the interests of the Government require an immediate assessment, notify the distiller of the proposed assessment and afford him an opportunity to submit within 30 days, or such further time as the district supervisor may consider reasonable, evidence showing why the proposed assessment should not be made.

§ 184.676 *Nature of evidence.* The evidence submitted by the distiller should be in the form of affidavits and certified documents.

§ 184.677 *Consideration of distiller's response.* If the distiller responds to the notice and submits evidence bearing on the merits of the proposed assessment, the district supervisor will give due consideration thereto and make such further investigation as he may deem advisable. If, after consideration of all the facts, the district supervisor finds that tax is due, he will report the same to the Commissioner in accordance with the prescribed assessment procedure. If the district supervisor finds that tax should not be assessed, he will forward the affidavits and other documents submitted by the distiller, together with investigation reports, if any, to the Commissioner with his recommendation thereon.

§ 184.678 *Claim for remission.* Where the distiller claims, pursuant to notice of proposed assessment, that the brandy produced and not accounted for was actually lost on the distillery premises, the procedure prescribed by Subpart Y shall be applicable.

(Secs. 2847, 2901, I. R. C.)

§ 184.679 *Distiller's failure to respond.* If the distiller fails to respond to the notice of proposed assessment within the time specified, the district supervisor will report to the Commissioner, in accordance with the prescribed assessment procedure, the amount found due for assessment.

SUBPART AA—OPERATIONS ON SUNDAY

§ 184.685 *Emergencies only.* No distilling operations may be conducted at a fruit distillery at any time between the hours of 11:00 p. m. of any Saturday and 1:00 a. m. of the next succeeding Monday, unless the district supervisor shall find that an emergency exists requiring operation of the distillery between such hours for the purpose of preventing the loss, and effecting the salvaging, of crop or other materials.

(Secs. 2825, 2836, I. R. C.)

§ 184.686 *Application.* Any fruit distiller desiring to operate his distillery between 11:00 p. m. Saturday and 1:00 a. m. Monday shall file application, in duplicate, with the district supervisor, setting forth specifically the dates on which he desires to so operate and describing fully the necessity therefor. The application shall be filed a sufficient time in advance of the earliest date named therein for such emergency operation to enable the district supervisor to determine whether such an emergency exists, and, if he approves the application to assign an officer to supervise the operations where deemed necessary.

(Secs. 2825, 2836, I. R. C.)

§ 184.687 *Approval of application.* If the application is approved, the district supervisor will note his approval on both copies thereof, with the date of approval, and will return one copy to the applicant and retain the other copy on file.

(Secs. 2825, 2836, I. R. C.)

§ 184.688 *Penalty for unauthorized operation.* Any operation of the distillery between 11:00 p. m. Saturday and 1:00 a. m. Monday, without first receiving authorization therefor from the district supervisor, as provided in this subpart, will render the distiller liable to the penalty prescribed by law.

(Secs. 2825, 2836, I. R. C.)

SUBPART BB—SUSPENSION AND RESUMPTION OF OPERATION

SUSPENSION OF OPERATIONS

§ 184.695 *Notice, Form 124.* Any fruit distiller desiring to suspend operations at his distillery for the season or for a period of 30 days or more shall give notice on Form 124, in duplicate, stating when he will suspend operations. Where a storekeeper-gauger is assigned to the distillery the notice will be delivered to such officer. The giving of such notice will not be required where operations are temporarily suspended for less than 30 days due to accident, the necessity for making repairs, seasonal conditions, or other causes.

(Secs. 2825, 2850, I. R. C.)

§ 184.696 *Completion of operations required.* Before the distillery may be suspended for a period of 30 days or more, except in the case of unavoidable accident as provided in § 184.701, all distilling materials, fermented or in the process of fermentation, and all unfinished spirits, except distillates containing one-half of 1 percent or more of aldehydes or 1 percent or more of fusel oil, must be distilled and all brandy produced must be

run into the receiving tanks, drawn therefrom, gauged, and removed from the distillery. Distillates containing one-half of 1 percent or more of aldehydes or 1 percent or more of fusel oil may, as provided in § 184.434, be stored in the brandy deposit room for a period of not more than 30 days after suspension of operations, pending removal for denaturation or destruction, or, in the case of change of type of distillery, retained in locked heads and tails tanks or in the brandy deposit room for a period of not more than 60 days, as provided in § 184.727. Such distillates not so stored in the brandy deposit room must be destroyed or removed for denaturation before suspension of the distillery, except that where the suspension is due to change of type of distillery they may be retained in locked heads and tails tanks for not more than 60 days, as provided in this section.

(Secs. 2825, 2850, I. R. C.)

§ 184.697 *Date of suspension.* The distiller will fix in the notice the time when all distilling material on the distillery premises will be distilled and all spirits in the distillery run into the receiving tanks, except unfinished spirits or distillates containing one-half of 1 percent or more of aldehydes or 1 percent or more of fusel oil which are to be retained on the premises during a temporary change in the type of distillery, as provided in Subpart EE of this part. Where no storekeeper-gauger is assigned to the distillery the distiller will forward the notice to the district supervisor in sufficient time to reach him at least 48 hours before the date the distiller intends to suspend operations, in order that the district supervisor may detail an officer to lock the furnace door of each still or the control valve in the pipeline conveying steam or fuel to each still, as the case may be, at the time operations are suspended.

(Secs. 2825, 2850, I. R. C.)

§ 184.698 *Locking furnace doors, etc.* When notice of suspension is given by the distiller the storekeeper-gauger on duty at the distillery, or the officer detailed to visit the distillery by the district supervisor, will see that operations are completed as provided in § 184.696 and will then lock the furnace door of each still or the control valve in the pipeline conveying steam or fuel to each still and will supervise the disconnection of the distillery machinery and the removal to the bonded warehouse or the receiving room or brandy deposit room, or other secure place, of some portion of such machinery necessary for distillation. The locks used for securing furnace doors, or the control valves in steam or fuel lines, will be taken from such other places in the distillery, where locks are not necessary while the distillery is suspended, as may be designated by the district supervisor. In lieu of removing a portion of the distilling apparatus to the warehouse or other secure place, the district supervisor may require two of the ports (manheads) of column stills to be locked open by passing a chain or two iron straps through the ports and around the

outside of the still, and locking the chain or straps in place.

(Secs. 2825, 2850, 3170, I. R. C.)

§ 184.699 *Officer's certificate of suspension.* The officer will certify on each copy of Form 124 to the action taken by him, and will furnish one copy of the form to the distiller and forward the remaining copy to the district supervisor. The district supervisor may relieve any officer assigned to the plant from duty thereat during the period of suspension.

(Secs. 2825, 2850, 3170, I. R. C.)

§ 184.700 *Distilling material at suspended distillery forbidden.* Except as provided in § 184.701, no distiller may, after the time fixed in his notice, Form 124, for suspension of work at the distillery, carry on the business of a distiller on the said premises, or have any distilling material, fermented or in the process of fermentation, in his distillery or on any premises connected therewith, or have in his possession or under his control any such distilling material, with intent to distill the same on said premises.

(Secs. 2825, 2850, I. R. C.)

§ 184.701 *Suspension caused by unavoidable accident.* In case of an accident necessitating a suspension for a period of 30 days or more, the distiller should, if possible, distill all distilling material, fermented or in the process of fermentation, and all unfinished spirits on hand. Should the accident be of such a nature as to render this impossible, the distiller will immediately give notice of suspension on Form 124, in duplicate, as provided in § 184.695. The storekeeper-gauger will then lock the furnace doors of the stills, or the control valves in the steam or fuel lines leading to the stills, and supervise the disconnection and removal of distillery machinery, as provided in section 184.698. The officer will then certify on Form 124, in duplicate, to the action taken by him and state the quantity, if any, of distilling material or unfinished spirits on hand at the time of such suspension, and will furnish one copy of the form to the distiller and forward the remaining copy to the district supervisor. The district supervisor may relieve any officer assigned to the plant from duty thereat during the period of suspension.

(Secs. 2825, 2850, 3170, I. R. C.)

RESUMPTION OF OPERATIONS

§ 184.702 *Notice, Form 125.* No distiller may carry on the business of a distiller after the time stated in his notice of suspension, Form 124, until he shall have given another notice to the district supervisor on Form 125, in duplicate, stating the time when he will resume operations. This notice should be forwarded to the district supervisor a sufficient time in advance of the date it is desired to resume operations to enable the district supervisor to assign a storekeeper-gauger to remove the locks. The notice should ordinarily reach the district supervisor at least 48 hours in advance of the date the distiller desires to resume operations. The district super-

visor will designate an officer to remove the locks and other fastenings placed on the equipment at the time of suspension and to supervise the connection of the machinery on the date specified in the Form 125. Where the suspension was caused by accident, and distilling material or unfinished spirits remained on hand, the designated officer will determine whether the same kind and quantity of distilling material or unfinished spirits reported on Form 124 as on hand at the time of suspension are on hand at the time of resumption, less natural evaporation.

(Secs. 2825, 2850, 3170, I. R. C.)

§ 184.703 *Officer's certificate of removal of locks and fastenings.* The officer will certify on Form 125, in duplicate, to the action taken by him and to the kind and quantity, if any, of distilling material or unfinished spirits on hand at the time of such resumption, and will furnish one copy of Form 125 to the distiller and forward the remaining copy to the district supervisor.

(Secs. 2825, 2850, 3170, I. R. C.)

§ 184.704 *Unauthorized removal of locks and fastenings.* No revenue officer or other person may remove Government locks and fastenings and permit connection of the machinery where a distillery has been suspended, except by direction of the district supervisor pursuant to notice of resumption.

(Secs. 2825, 2850, I. R. C.)

SUBPART CC—REGISTRY OF STILL "FOR USE" AND "NOT FOR USE"

§ 184.710 *Registry on Form 26.* Every person having in his possession or custody or under his control any still or distilling apparatus that is set up, must register the same on Form 26, in triplicate, with the district supervisor for the district in which it is located. Stills to be used for the production of various types of distilled spirits may be registered for "distilled spirits" and the specific type need not be shown. Thereafter, when the plant is changed from the production of one type of spirits to another, reregistration by the same distiller will not be required. The temporary suspension of a distillery does not necessitate reregistration of the stills. The operation of a distillery by alternating proprietors, where no permanent change in ownership occurs, does not require reregistration of the stills by the proprietors. When there is a change in location or use or a bona fide change in ownership of a still, the still must be registered to reflect the change. The district supervisor will, upon approving the registration of a still on Form 26, retain one copy, forward one copy to the Commissioner and return the remaining copy to the distiller. The distiller will retain his copy at the distillery available for inspection by Government officers.

(Secs. 2810, 3170, I. R. C.)

SUBPART DD—OPERATIONS BY DISTILLER UNDER DIFFERENT TRADE NAMES OR STYLES

§ 184.715 *Commencement of operations.* Whenever a fruit distiller desires

to operate his distillery under a trade name or style which has not been previously approved, he must comply with §§ 184.257 to 184.262 and secure approval thereof in the manner prescribed by Subparts O and P of this part prior to commencement of operations thereunder. Thereafter, whenever he desires again to operate under such trade name or style, he must comply with § 184.263 and secure approval as prescribed by Subpart O, prior to commencement of operations thereunder.

§ 184.716 *Disposition of materials in process.* Whenever the distiller desires to operate his distillery under a trade name or style other than the trade name or style under which he is then operating, and has complied with the above provisions, he will not be required to complete the distillation of materials and unfinished spirits in the process of manufacture before commencing business under such other trade name or style.

§ 184.717 *Finished spirits.* All finished spirits remaining in the receiving tanks or in storage tanks in the brandy deposit room, if any, at the time the change in trade name or style becomes effective must be branded and removed in the trade name or style under which they were finished. All finished spirits produced from the materials in process and unfinished spirits remaining on hand at the time the change in trade name or style becomes effective must be branded and removed in the trade name or style under which they are finished. Brandy in properly marked and branded packages may, if desired, be retained in the brandy deposit room, notwithstanding a change in the trade name of the distiller.

§ 184.718 *Records.* Separate records on Form 15 will not be required for operations under each trade name, but the distiller must note on such record the trade names or styles under which he operated during the month and the dates of operation under each. Where spirits are produced under a trade name, the storekeeper-gauger's report of gauge, Form 1520, must show both the real name of the actual distiller and the trade name under which the spirits were produced.

SUBPART EE—ALTERNATE OPERATION AS INDUSTRIAL ALCOHOL PLANT OR REGISTERED DISTILLERY.

§ 184.725 *Qualifying for alternate operation.* Whenever a distillery established or operated under the regulations in this part is to be operated alternately as such and as an industrial alcohol plant or registered distillery, the procedure prescribed in Subpart N of this part for effecting such change in the type of the distillery must be complied with.

§ 184.726 *Completion of operations required.* When a fruit distillery is to be operated as an industrial alcohol plant or as a registered distillery, the business of producing brandy, except as provided in this subpart, must be completely finished by the person or persons first carrying on the business, and the

distillery duly suspended before it can be operated as an industrial alcohol plant or a registered distillery. Except as provided in §§ 184.727 and 184.728 all unfinished spirits, including singlings and low wines, and distillates containing one-half of 1 percent or more of aldehydes or 1 percent or more of fusel oil collected in accordance with the provisions of Subpart S of this part, must be redistilled and run into receiving tanks, drawn off, gauged, and removed by the outgoing distiller. Except as provided in §§ 184.727 and 184.728, all such unfinished spirits or distillates must be disposed of before the distillery can be operated as an industrial alcohol plant or registered distillery.

(Secs. 2825, 2850, I. R. C.)

§ 184.727 *Retention of distillates.* Where the change in the type of plant is to be temporary only, and the quantity of distillates on hand containing one-half of 1 percent or more of aldehydes or 1 percent or more of fusel oil is insufficient for a carload shipment (but not over 10,000 gallons), the outgoing distiller may retain such distillates under Government lock in heads and tails tanks or in the brandy deposit room in the distillery until the plant is again operated by him as a fruit distillery under the provisions of this part (but for not more than 60 days), if such distiller furnishes a duly executed consent of surety, Form 1533, in triplicate, continuing liability on the fruit distiller's bond, Form 30½, for the tax on such distillates retained on the premises notwithstanding the change in the type of plant. When such distillates are so retained on the distillery premises, the district supervisor will cause a sample of the contents of each container not previously tested to be taken and analyzed to determine whether the distillate contains the required percentage of aldehydes or fusel oil.

(Sec. 2916, I. R. C.)

§ 184.728 *Retention of unfinished spirits.* Where the change in type of plant is to be temporary only, the outgoing distiller may retain unfinished spirits under Government lock in unfinished brandy tanks, provided in accordance with § 184.132 in the fruit distillery, until the plant is again operated by him as a fruit distillery under the provisions of this part: *Provided*, That such distiller furnishes a duly executed consent of surety, Form 1533, in triplicate, continuing liability on the fruit distiller's bond, Form 30½, for the tax on such unfinished spirits retained on the premises, notwithstanding the change in the type of plant.

(Sec. 2825, I. R. C.)

§ 184.729 *Transfer of materials, etc.* The outgoing distiller may transfer to his successor materials on hand, including those in process, at the time the change in type of plant takes place, but no spirits may be so transferred, except the residue of spirits in the stills which it is not practicable to completely boil out: *Provided*, That materials not usable and residue of spirits in stills not producible under the law at the succeeding

type of plant may not be transferred to the successor. Where such materials and residue of spirits are not transferable, all materials in process must be distilled, all basic materials must be removed from the premises, and the stills and other vessels must be completely cleared of spirits, and such spirits, if other than unfinished spirits or distillates intended for retention in accordance with the provisions of §§ 184.727 and 184.728, removed from the distillery in accordance with law before the change in type of plant becomes effective. When it is again desired to resume operations as a distiller under the provisions of this part, the business of producing alcohol or whiskey, rum, et cetera, as the case may be, must be similarly finished and the industrial alcohol plant or registered distillery suspended in accordance with governing regulations.

(Sec. 2825, I. R. C.)

§ 184.730 *Transfer agreement, Form 1614.* Where the outgoing distiller and his successor so arrange for the transfer of distilling materials, the outgoing distiller will file with the district supervisor four copies of Form 1614, duly executed by himself and the prospective successor. The form will be filed in sufficient time to permit consideration thereof in connection with the transferor's notice of suspension of operations and the transferee's qualifying documents. The district supervisor will, upon approval, forward one copy to the transferor and one copy to the transferee. The district supervisor will retain two copies, one for the file of the transferor and one for the file of the transferee. The provisions of § 184.160 concerning the verification of Form 27½ are hereby made applicable to Form 1614.

(Sec. 3809, I. R. C.)

§ 184.731 *Locking of furnace doors not required.* In cases of alternate operation of the fruit distillery as such and as an industrial alcohol plant or registered distillery without lapse of time, it will not be necessary for the storekeeper-gauger to lock the furnace doors of the stills or the control valves in pipelines which convey steam or fuel to the stills, or to require disconnection of the distillery machinery.

§ 184.732 *Completion of records.* The outgoing distiller will complete his record, Form 15, as to the removal of basic materials from the premises, or the transfer of basic materials and materials in process to the successor, as the case may be, and as to production and removal from the distillery of all brandy produced by him. If distillates collected in accordance with Subpart S of this part are retained on the premises under lock in tanks or in the brandy deposit room, as provided in § 184.727, or unfinished spirits are retained on the premises in locked tanks, as provided in § 184.728, a notation will be made on Form 15 showing that such unfinished spirits or distillates are temporarily retained on the premises pending resumption of operations as a fruit distillery. The distiller will continue to file monthly

reports on Form 15 during the period such unfinished spirits or distillates are retained on the distillery premises. Where the plant is operated as a fruit distillery in two or more periods during the same month by the same proprietor, the operations of such proprietor will be recorded on the same Form 15, but appropriate notations will be made on the separating lines to show the dates the distillery was operated as a registered distillery or an industrial alcohol plant and the names under which it was so operated.

(Secs. 2825, 2841 (a), I. R. C.)

§ 184.733 *Records of successor.* The succeeding distiller will enter all materials, including those in process, received from his predecessor on Form 1442 if the distillery is to be operated as an industrial alcohol plant, or on Form 1598 if the distillery is to be operated as a registered distillery. The materials received will also be entered on Form 1636 by the storekeeper-gauger if the fruit distillery is to be operated as an industrial alcohol plant or as a registered distillery. If materials are transferred when the plant is again operated as a fruit distillery, appropriate entry there-of will be made on the records of the transferor and transferee.

(Secs. 2841, 2877, 3105, I. R. C.)

§ 184.734 *Disposition of spirits.* Where a change in the type of plant takes place, the storekeeper-gauger assigned or detailed to the distillery will see that all distillates collected in accordance with Subpart S of this part are disposed of, and that all other unfinished spirits, except the residue of spirits in stills where the same is to be transferred to the successor as provided in § 184.729, are distilled and run into receiving tanks, drawn off, gauged, and removed by the outgoing distiller in the name under which they were produced, unless retained in the distillery in accordance with §§ 184.727 and 184.728, respectively, before the plant is operated as another type of distillery. Upon disposition or retention in the distillery of such unfinished spirits or distillates, and transfer of all other spirits to the receiving tanks, the distillery may be operated as another type of plant, but all spirits transferred to the receiving tanks must be branded and removed in accordance with law by the outgoing distiller in the name under which they were produced, before any spirits are deposited in the receiving tanks or withdrawn from the distillery by the successor.

(Sec. 2825, I. R. C.)

§ 184.735 *Alternate operation by same proprietor.* Where the plant is to be operated alternately as a fruit distillery and as an industrial alcohol plant or registered distillery by the same proprietor, the procedure will be the same as in the case where the succeeding type of plant is to be operated under different proprietorship, except that in lieu of the submission of a transfer agreement on Form 1614 the distiller will, when distilling materials or the residue of spirits in stills are to be transferred to himself at the succeeding type of plant, request au-

thority on Part 1 of the form to make such transfer.

SUBPART FF—CHANGE OF PERSONS INTERESTED IN BUSINESS

§ 184.745 *Completion of operations required.* When a succession, or actual change, in the person or persons operating the distillery shall take place, other than a change brought about by operation of law, as by the appointment of an administrator, executor, receiver, trustee, assignee or other fiduciary, the business of producing spirits must be completely finished by the person or persons who have been carrying on the business, and the operations suspended before the business shall be undertaken or begun by the succeeding distiller, unless by an agreement between the outgoing distiller and the successor it shall be arranged to transfer from the former to the latter at midnight of a certain day all materials in process, and all unfinished spirits in the distillery at that hour: *And provided*, That, in either case, the notice, bond and other qualifying documents of the successor have been approved to take effect on the day next succeeding that at the close of which the transfer is made. Such documents should, therefore, be submitted to the district supervisor in sufficient time to permit such approval for the date desired. Except in the case of alternate operations by two or more previously qualified distillers, as provided by § 184.338 the successor of a distiller shall not commence operations until all documents required for his qualification as such distiller have been approved by the district supervisor. All finished spirits must be branded and removed by the outgoing distiller in the name under which they were produced before any spirits are deposited in the receiving cisterns or withdrawn from the distillery by the successor.

§ 184.746 *Transfer agreement, Form 1614.* Where the outgoing distiller and the successor so arrange for the transfer of all distilling materials in process, and all unfinished brandy on hand, the outgoing distiller will file with the district supervisor four copies of Form 1614, duly executed by himself and the prospective successor. Brandy which has been withdrawn for redistillation from other premises may not be transferred by the distiller to a successor. The form will be filed in sufficient time to permit consideration thereof in connection with the transferor's notice of suspension or discontinuance of operations, and the transferee's qualifying documents. The district supervisor will, upon approval, forward one copy to the transferor and one copy to the transferee. The district supervisor will retain two copies, one for the file of the transferor and one for the file of the transferee.

§ 184.747 *Locking of furnace doors not required.* In such cases of succession or change in the operations of the distillery without lapse of time, it will not be necessary for the Government officer to lock the furnace doors of the stills or the control valves on pipe lines which convey steam or fuel to the stills, or to disconnect the distilling machinery.

§ 184.748 *Records.* The outgoing distiller shall enter on his Form 15 all materials and all unfinished spirits transferred to his successor, who shall in turn enter such items on his Form 15 as received from his predecessor. Where the change in proprietorship is of a permanent nature, the outgoing distiller shall complete Form 15 and submit a final report on such form to the district supervisor. Appropriate notations will be made on such final report showing the change in proprietorship and the date thereof. Where the distillery is operated under alternating proprietorships, each proprietor shall keep a separate Form 15. When operations are conducted by the same proprietor in two or more periods during the same month, the operations by such proprietor will be entered on the same Form 15, appropriate notations being made on the separating lines to show the names of the alternating proprietors and the dates the distillery was operated by them. At the end of the month, report will be submitted to the district supervisor on such form in accordance with Subpart JJ of this part.

(Sec. 2841, I. R. C.)

§ 184.749 *Succession by fiduciary.* Where a change in proprietorship is brought about by operation of law, the administrator, executor, receiver, trustee, assignee, or other fiduciary may not continue the business until the required qualifying documents have been filed and approved. In the case of such change, the fiduciary shall make appropriate notation on Form 15 of his succession, and the date thereof.

SUBPART GG—SALES OF BRANDY BY FRUIT DISTILLERS

§ 184.755 *Bulk containers.* Under the regulations issued pursuant to the Federal Alcohol Administration Act (27 CFR, Part 3), distillers may sell or dispose of brandy in bulk, that is, containers having a capacity in excess of 1 gallon, (a) to other distillers and proprietors of internal revenue bonded warehouses, industrial alcohol plants and industrial alcohol bonded warehouses (holding a permit under the Federal Alcohol Administration Act), including those operating tax-paid bottling houses; (b) to proprietors of Class 8 customs bonded warehouses (imported spirits only); (c) to rectifiers; (d) to winemakers for fortification to wine; (e) to any agency of the United States, or of any State or political subdivision thereof; (f) for export; (g) on warehouse receipts, conforming to the regulations issued under the Federal Alcohol Administration Act, for distilled spirits in internal revenue bonded warehouses; and (h) for industrial use, as follows: For experimental purposes, and for use in the manufacture (1) of medicinal, pharmaceutical, or antiseptic products, including prescriptions compounded by retail druggists; (2) of toilet products; (3) of flavoring extracts, sirups, or food products; or (4) of scientific, chemical, mechanical, or industrial products; provided such products are unfit for beverage use. Fruit distillers may not, under the regulations issued pursuant to the

Federal Alcohol Administration Act (27 CFR, Part 3), sell or dispose of brandy (not including neutral spirits—fruit) in bulk for industrial use unless such brandy is shipped or delivered directly to the industrial user thereof.

(Secs. 2378, 2883, I. R. C., sec. 6, 49 Stat. 985, 27 U. S. C., 206)

§ 184.756 *Retail containers.* Except as provided in § 184.755, fruit distillers may sell or dispose of brandy only in containers having a capacity of 1 gallon or less. All such containers having a capacity of one-half pint or more must conform to the requirements of Regulations 13 (26 CFR Part 175.)

(Sec. 6, 49 Stat. 985, 27 U. S. C. 206; sec. 2871, I. R. C.)

SUBPART HH—SPECIAL (OCCUPATIONAL) TAXES

§ 184.760 *Wholesale and retail liquor dealer.* Except as provided in § 184.762, distillers must, in order to sell distilled spirits, file returns on Form 11, "Special Tax Return," and pay special (occupational) taxes as wholesale liquor dealers or retail liquor dealers, or both, as the case may be, in accordance with the law and regulations governing the payment of such special taxes.

(Secs. 3250, 3270, 3271, 3272, I. R. C.)

§ 184.761 *Warehouse receipts covering distilled spirits.* Since the sale of warehouse receipts for distilled spirits is equivalent to the sale of distilled spirits, every proprietor of a fruit distillery who sells, or offers for sale, warehouse receipts for distilled spirits held in fruit distilleries or stored in internal revenue bonded warehouses, or elsewhere, incurs liability to special tax as a dealer in liquors at the place where such warehouse receipts are sold or offered for sale, and must file return and pay occupational tax as provided in § 184.760.

(Secs. 3250, 3254, 3270, 3271, 3272, I. R. C.)

§ 184.762 *Exemption of distiller.* No distiller who has given the required bond and who sells only distilled spirits of his own production at the place of manufacture, or at the place of storage in bond, in the original packages to which the tax-paid stamps are affixed, shall be required to pay the special tax of a wholesale dealer in liquors on account of such sales. This provision does not exempt distillers from the payment of special taxes for sales of distilled spirits of their own production in bond (by warehouse receipts or otherwise), or in cases or containers other than the original packages, or for exportation, fortification of wine, use of the United States, etc., without attachment of tax-paid stamps to the original packages, nor does it exempt them from liability for special taxes where distilled spirits produced by other distillers are sold by them.

(Sec. 3250, I. R. C.)

SUBPART II—STOREKEEPER-GAUGER'S FILES

SYSTEM OF FILING

§ 184.770 *Gauge reports and removal applications.* The storekeeper-gauger's

copy of all gauge reports covering brandy removed from the fruit distillery will be filed in the Government office at the plant in separate files according to type of withdrawal, in chronological order, and where brandy is withdrawn in packages, in sequence as to the serial numbers of packages removed. The applications for removal, including those on which the storekeeper-gauger prepares his report of gauge, will be filed separately according to form number, in chronological order. The Forms 1520 covering the entry gauge of brandy deposited in an internal revenue bonded warehouse operated by the distiller on or contiguous to the distillery premises will be filed separately as a permanent record in bound form.

§ 184.771 *Reports covering deposits in warehouse operated by distiller on or contiguous to distillery premises.* The Forms 1520 covering the entry gauge of brandy deposited in an internal revenue bonded warehouse operated by the distiller on or contiguous to the distillery premises will be filed as a permanent record, in bound form, in the storekeeper-gauger's office for the warehouse in a separate file, in chronological order and in sequence to the serial numbers of the packages deposited. Where separate Government offices are maintained for the distillery and the bonded warehouse, the extra copy of Form 1520 provided in accordance with § 184.598 will be filed in the Government office for the distillery in the manner prescribed in § 184.770 for the filing of such forms covering the removal for deposit in an internal revenue bonded warehouse not operated by the distiller on or contiguous to the distillery premises.

SUBPART JJ—DISTILLER'S RECORDS AND REPORTS

§ 184.775 *Record of distillery operations, Form 15.* The distiller shall keep a record of the distillery operations on Form 15, "Monthly Return of Fruit Distiller." Entries shall be made as indicated by the headings of the various columns and lines and in accordance with the instructions printed on the form, and as set forth in this part. Except as provided in § 184.776 the entries shall be made before the close of the business day next succeeding the day on which the transactions occur. Where the making of the entries is deferred to the next business day, as authorized in this section, appropriate memoranda shall be maintained for the purpose of making the entries correctly. Form 15 will be kept at the distillery as a permanent record, in bound form, subject to inspection by Government officers at any reasonable hour.

(Secs. 2841, 3171, I. R. C.)

§ 184.776 *Entry of brandy produced.* The quantity of brandy reported produced in all cases will be taken from the storekeeper-gauger's reports on Form 1520 and entered as of the date of gauge.

(Sec. 2841, I. R. C.)

§ 184.777 *Monthly report.* Immediately after the close of the month and the gauging of all brandy produced during the month, but in no case later

than the 10th day of the succeeding month, the distiller shall render two copies of Form 15 to the district supervisor. The district supervisor will, after audit and not later than the last day of the month succeeding that for which rendered, forward one copy of the report to the Commissioner and will retain the remaining copy.

(Secs. 2844, 3170, I. R. C.)

§ 184.778 *Execution of report.* The report must be signed in the same manner as the distiller's notice, Form 27½, except that in the case of a corporation the affixing of the corporate seal will not be required. Each report must be verified under oath (or affirmation) by the distiller or his authorized agent at the distillery: *Provided*, That if the form officially prescribed for such report contains therein a provision for verification by a written declaration that such report is made under penalties of perjury such report shall be verified by the execution of such declaration, and such declaration shall be in lieu of the oath required herein for verification. Where the reports are signed by an agent, proper power of attorney, authorizing the agent to execute the reports for the distiller, must be filed in duplicate with the district supervisor, who will forward one copy to the Commissioner.

(Sec. 3809, I. R. C.)

§ 184.799 *Record of sales at tax-paid premises, Form 52-E.* Every proprietor of a fruit distillery who maintains tax-paid premises at which tax-paid distilled spirits are received, stored, and sold in bulk, shall keep Form 52-E, "Monthly Record and Report of Importer or Proprietor of Tax-Paid Premises," of all spirits, both bulk and bottled, received and disposed of at his tax-paid premises: *Provided*, That if such proprietor so desires he may keep Form 52-E for bulk spirits only and Record 52, "Wholesale Liquor Dealer's Record," for bottled spirits only. Where only bottled spirits are received, stored, and sold at such tax-paid premises, the proprietor shall keep Record 52 of all such spirits received and disposed of at his tax-paid premises. By tax-paid premises is meant the "tax-paid" or "free" warehouse or room maintained in conjunction with the distillery, or premises maintained at other locations for the receipt, storage, and disposition of tax-paid spirits. Separate records must be kept at each of such premises.

(Sec. 2857, I. R. C.)

§ 184.780 *Record of warehouse receipts to be kept by distiller.* Every proprietor of a fruit distillery who sells, or offers for sale, distilled spirits by warehouse receipts shall keep a separate record, and render a monthly transcript, of all purchases and sales of warehouse receipts on Form 52-F, "Wholesale Liquor Dealer's Monthly Record and Report of Purchases and Sales of Warehouse Receipts for Distilled Spirits." There need not be entered on Form 52-F transactions in warehouse receipts not involving the purchase or sale of distilled spirits, such as the receipt from a warehouseman of warehouse receipts covering the

deposit or bottling of spirits in his warehouse or the surrender of warehouse receipts for the bottling of the spirits in bond or their transfer in bond to another warehouse. Entries on Form 52-F shall be made as indicated by the headings of the columns and lines of the form and in accordance with the instructions printed thereon or issued in respect thereto, and as required by this part. The provisions of § 184.782 with respect to the time of making entries and of § 184.786 with respect to forms to be provided by users, are hereby made applicable to Form 52-F. The provisions of § 184.783 with respect to a separate record of serial numbers of cases are hereby made applicable to Form 52-F with respect to serial numbers of packages and cases purchased or sold by warehouse receipts. The monthly transcript on Form 52-F shall be forwarded to the district supervisor on or before the tenth day of the succeeding month. The physical removal of distilled spirits from the fruit distillery shall continue to be reported on Form 15 in accordance with the provisions of § 184.775. The physical receipt and disposition of distilled spirits at tax-paid premises shall continue to be reported on Form 52-E or Record 52, as the case may be, in accordance with the provisions of § 184.779.

(Secs. 2857, 2859, 3254, I. R. C.)

§ 184.781 *Place where Form 52-F shall be kept.* Every distiller shall keep Form 52-F at the place of business where warehouse receipts are sold or offered for sale.

(Secs. 2857, 2859, 3254, I. R. C.)

§ 184.782 *Time of making entries.* Daily entries shall be made on Record 52 and Form 52-E, as indicated by the headings of the various columns and in accordance with instructions printed thereon before the close of business of the day next succeeding the day on which the transactions occur. Where the proprietor of a tax-paid premises defers the making of entries to the next business day, as authorized in this section, he shall maintain a separate record, such as invoices, of the removals of distilled spirits showing the removal data required to be entered on Record 52 or Form 52-E and appropriate memoranda of other transactions required to be entered on such records, for the purpose of making the entries correctly.

(Sec. 2857, I. R. C.)

§ 184.783 *Separate record of serial numbers of cases.* Serial numbers of cases of distilled spirits disposed of need not be entered on Record 52 or Form 52-E, provided the proprietor keeps in his place of business a separate record, approved by the district supervisor, showing such serial numbers, with necessary identifying data, including the date of removal and the name and address of the consignee. Such separate record may be kept in book form (including loose-leaf books) or may consist of commercial papers, such as invoices or bills. Such books, invoices, and bills shall be preserved for a period of four years and in such a manner that the required information may be ascertained readily there-

from, and during such period shall be available during business hours for inspection and the taking of abstracts therefrom by revenue officers. Entries shall be made on such separate record before the close of the business day next succeeding the day on which the transactions occur. Where the making of the entries is deferred to the next business day, as authorized in this section, appropriate memoranda shall be maintained for the purpose of making the entries correctly. The proprietor whose separate record has been approved by the district supervisor shall make a notation in the column for reporting serial numbers, as follows: "Serial numbers shown on commercial records per authority dated _____."

(Secs. 2857, 4041, I. R. C.)

§ 184.784 *Monthly reports.* Except as otherwise provided in this section the proprietor shall file, daily, full and complete transcripts of Record 52 and Form 52-E (Parts 1 and 2) on Forms 52-A, 52-B, and 52-E (Parts 1 and 2) with the District Supervisor, by delivering or mailing them to such officer on the date the transactions entered therein occurred or before the close of the business day next succeeding the day on which the transaction occurred: *Provided*, That in any case in which the District Supervisor shall direct, the transcripts shall be so filed with the Investigator in Charge instead of with the District Supervisor. The transcripts shall bear the following certification signed by the person or officer authorized to execute Form 338 or 52E:

I hereby certify that these transcripts, consisting of _____ pages, disclose all the transactions which occurred during the period covered thereby, and that each entry is correct.

If in any case the District Supervisor shall so authorize, the transcripts, in lieu of being filed daily, may be filed with him on or before the 10th day of the month succeeding the month in which the transactions in distilled spirits occurred. In such event, transactions will be entered on Record 52 and Form 52-E in accordance with the provisions of § 184.782. Monthly summary reports on Form 338 (where Record 52 is kept) and Form 52-E (Part 3) shall be prepared in duplicate, one copy of which will be retained on file and the original forwarded to the District Supervisor on or before the 10th day of the month succeeding the month in which the transactions in distilled spirits occurred. Records kept on Record 52 and Form 52-E shall be preserved for a period of 4 years, and during such period shall be available during business hours for inspection and the taking of abstracts therefrom by the Commissioner or any internal revenue officer.

(Sec. 2857, I. R. C.)

§ 184.785 *Payment of tax, bottling charge, etc. by third party.* The proprietor of a fruit distillery shall report, on Form 15, Part 2, when Record 52 is kept, on Part 2 and on transcript, Form 52-B, and when Form 52-E is kept, on Part 2, the name and address of each consignee, in the column now designated

"Name". In the column now designated "Address," there will be reported the name and address of the person, firm or corporation paying (by advancement or reimbursement) either tax, bottling charge, brokerage fee, handling charge, or clearance fee, indicating which are included. The heading of both columns will be amended accordingly.

(Sec. 2857, I. R. C.)

§ 184.786 *Order by third party to ship or deliver distilled spirits.* (a) Where the proprietor of a fruit distillery ships or delivers distilled spirits to a consignee on the order of another wholesale liquor dealer, detailed records of the transactions shall be kept on Form 15, Part 2 by the proprietor of the fruit distillery making the shipment or delivery, on Record 52 by the wholesale liquor dealer giving the order, and on Record 52 by the consignee if he is a wholesale liquor dealer. For example, assuming that the proprietor of fruit distillery (A) ships or delivers the distilled spirits to consignee (C) on the order of wholesale dealer (B), entries will be made on the prescribed forms as follows:

(1) The proprietor of the fruit distillery (A) will show in his Form 15, Part 2, the name and address of wholesale dealer (B) who ordered the distilled spirits, as well as the name and address of consignee (C), the person to whom the distilled spirits are actually shipped or delivered;

(2) Wholesale dealer (B) will show in his Record 52 that the distilled spirits were purchased from distiller (A), giving both the name and address of (A), and will at the same time make an entry showing that the distilled spirits were shipped or delivered by (A) to consignee (C) giving the name and address of (C); and

(3) Consignee (C), if a wholesale liquor dealer, will show in his Record 52 that the distilled spirits were purchased from wholesale dealer (B) and received by him from the proprietor of fruit distillery (A), giving name and address of both. A copy of Form 15 and transcripts of Record 52 on Forms 52-A and 52-B, required to be filed with the district supervisor, will similarly show the details of such transactions.

(b) Where the proprietor of a fruit distillery keeps Record 52, or Form 52-E, and is a party to transactions similar to those described in this section, he shall make similar entries of such transactions in Record 52, or Form 52-E, as the case may be; and the transcripts on Forms 52-A and 52-B, or 52-E, respectively, required to be filed with the district supervisor, will likewise show the details of the transactions.

(Sec. 2857, I. R. C.)

§ 184.787 *Forms to be provided by users.* Record 52 and Forms 52A, 52B, 52E, and 338 will be provided by users at their own expense but must be in the form prescribed by the Commissioner: *Provided*, That with the approval of the Commissioner they may be modified to adapt their use to tabulating or other mechanical equipment: *Provided further*, That where the form is printed in book form, including loose-leaf books,

the instructions may be printed on the cover or the fly-leaf of the book, instead of on the individual form.

§ 184.788 *Verification of reports.* Reports on Forms 52C, 52E, 52F and 338 must be filed in accordance with the instructions printed on the forms and be sworn to before an officer authorized to administer oaths: *Provided*, That if the form officially prescribed for any such report contains therein a provision for verification by a written declaration that the report is made under penalties of perjury, such report shall be verified by the execution of such declaration and such declaration so executed shall be in lieu of the oath required in this section for verification.

(Sec. 3809, I. R. C.)

SUBPART KK—GENERAL PROVISIONS RELATING TO DISTILLERIES

§ 184.795 *Production of mash, wort, or wash.* No mash, wort, or wash fit for distillation or for the production of spirits or alcohol shall be made or fermented in any building or on any premises other than a distillery or industrial alcohol plant duly authorized according to law, except when made for the manufacture of fermented liquors or for the manufacture of vinegar.

(Sec. 2834, I. R. C.)

§ 184.796 *Sale or removal of mash, wort, or wash; distillation.* No mash, wort, or wash made and fermented in any distillery or industrial alcohol plant shall be sold or removed therefrom before being distilled; and no person other than an authorized distiller or proprietor of an industrial alcohol plant shall by distillation or by any other process separate the alcoholic spirits from any fermented mash, wort, or wash, except when separated in the manufacture of vinegar.

(Sec. 2834, I. R. C.)

§ 184.797 *Removal of spirits at night.* Under the law, no person may remove any distilled spirits at any other time than after sunrise and before sunset in any cask or package containing more than 10 gallons from any premises or building in which the same may have been distilled, redistilled, rectified, compounded, manufactured, or stored. This provision does not forbid the removal from the distillery, under the supervision of the storekeeper-gauger, of brandy by pipeline after sunset to the fortifying room of a contiguous winery or to an internal revenue bonded warehouse located on the distillery premises.

(Sec. 2870, I. R. C.)

§ 184.798 *Use of distillery premises.* Except as otherwise provided in the regulations in this part, the distillery premises must be used exclusively for the purpose of distilling.

(Secs. 2819, 2825, I. R. C.)

SUBPART LL—MANUFACTURE, TAX PAYMENT, REMOVAL, AND REGISTRATION OF STILLS AND WORMS

§ 184.805 *General.* Whenever fruit distillers manufacture or reconstruct stills or worms, or set up, sell, or remove

stills or distilling apparatus, they must comply with the regulations governing the payment of special and commodity taxes, the securing of permits before setting up or removing stills and distilling apparatus, and the registration of stills and distilling apparatus set up.

SUBPART MM—CONCERNING LOCKS AND SEALS

§ 184.810 *General.* Except as otherwise provided in this part, the Commissioner will furnish, at the expense of the United States, all Government locks and seals required to be used at fruit distilleries. District supervisors will see that distilleries in their respective districts are fully equipped with locks in good condition, and that the necessary seals are provided for seal locks. District supervisors will bear in mind that Government locks are required upon all necessary openings in the distillery apparatus by which access may be had to spirits in the process of manufacture from the first still in which the vapors rise until the finished spirits are deposited in the receiving tanks; upon all doors in the receiving and brandy deposit rooms, if any; and upon the control valves in pipelines which convey steam or fuel to the stills or which convey brandy to warehouse storage tanks or to tanks in the fortifying rooms of contiguous wineries or to tank cars.

(Sec. 2820, I. R. C.)

§ 184.811 *Defective or broken locks.* When any Government lock becomes defective or broken, the storekeeper-gauger will return it to the district supervisor with a letter giving the kind and number. When the district supervisor has accumulated a sufficient number of such defective or broken locks he will destroy the same and report the destruction thereof to the Commissioner.

§ 184.812 *Seal locks.* Seal locks will be used on the entrance doors of the receiving and brandy deposit rooms; on the door of the Government cabinet; on the manheads, inlets, outlets, and other openings of receiving tanks and singlings tanks, except that plain locks will be used on receiving tanks located in a securely constructed receiving or brandy deposit room; and on such other places where the use of seal locks is required by this part or deemed necessary by the district supervisor.

§ 184.813 *Plain locks.* Plain locks will be used at all other places in the distillery where locks are required by this part.

§ 184.814 *Custody of keys.* The storekeeper-gauger will keep the keys to Government locks in use under his charge in his custody at all times, and will not permit them at any time to go into the possession of the distiller or any other person except the district supervisor or another Government officer authorized to receive them.

(Secs. 2820, 3170, I. R. C.)

§ 184.815 *Use of seal lock.* The seal lock is constructed with a clasp attached thereto, with blind hinges at the bottom opening downward. This clasp covers an indentation in the face of the lock sur-

rounding the keyhole for the insertion of the seal. When it is desired to seal-close the lock, a seal will be placed in the indentation made for its reception, and the seal clasp will then be shut and the hasp pushed downward into the lock, thereby locking the lock and seal clasp.

§ 184.816 *Use of lock seals.* Lock seals are numbered consecutively and care will be taken to use them in the order in which they are numbered, beginning with the lowest number. In cases where locks are required to be opened several times during the day, the seal will not be inserted until the lock is closed for the night, unless the duties of the storekeeper-gauger having the lock in charge require him to leave the distillery premises during the day. All seals must be so inserted that the serial number will be visible through the keyhole after the locks are fastened. Government officers will, before opening seal locks, see that the seal has not been broken or tampered with.

§ 184.817 *Custody of locks.* Government locks when not required for use at plants will be retained in the possession of the district supervisor. Receipts will be taken by district supervisors from storekeeper-gaugers for all locks and seals issued to them. Storekeeper-gaugers are strictly prohibited from intrusting locks, keys, or seals in their charge to any person other than an internal revenue officer entitled to receive them, and under no circumstances will they permit locks to remain open, whether hanging by the shackle or otherwise.

§ 184.818 *Cap seals.* All unions, flanges, and other pipe connections in the distillery equipment not secured by welding or brazing or similar methods must be securely connected and sealed with seals approved by the Commissioner. A special type of seal, serially numbered, has been approved for use in sealing unions, flanges, and other detachable pipe connections. This seal has, for the purpose of identification, been designated a "Cap" seal.

§ 184.819 *Affixing cap seals.* Cap seals must be affixed in such a manner as to prevent disconnection of the equipment without detection. No. 16 gauge copper wire will be used in applying these seals, unless the use of a different gauge of such wire is authorized by the Commissioner. The seals must be used in serial order, beginning with the lowest number. When applied initially they will follow in consecutive order the flow of the spirits.

§ 184.820 *Custody of cap seals.* Cap seals furnished storekeeper-gaugers for use at fruit distilleries must be kept by them in the Government cabinet.

§ 184.821 *Breaking of sealed connections forbidden.* Sealed connections must not be broken by the distiller for any reason, except in cases of emergency and then only after notifying the storekeeper-gauger, if any, assigned to the distillery, or the district supervisor. Where the distiller desires to make changes in the equipment involving the breaking of a sealed connection he will

follow the procedure prescribed in § 184.287.

(Sec. 2851, I. R. C.)

§ 184.822 *Removal of cap seals.* Except as provided in § 184.821, cap seals which have been affixed will be removed only by a storekeeper-gauger or some other officer designated for the purpose by the district supervisor. The officer will destroy all removed cap seals in a manner sufficient to prevent their reuse.

(Sec. 2851, I. R. C.)

§ 184.823 *Storekeeper-gauger's record of cap and lock seals.* A record of cap seals received, used, and removed, and of lock seals received and used at each fruit distillery will be kept by storekeeper-gaugers on Form 289, "Government Officer's Record and Report of Government Property," in accordance with the titles of the columns and lines and the instructions on the form. Form 289 will be kept in the Government cabinet when not in use.

§ 184.824 *Storekeeper-gauger's report of Government property.* On or before the fifth day of the month succeeding that for which the transactions are reported, the storekeeper-gauger will prepare a monthly report on Form 289 of all Government property at the fruit distillery. Form 289 will be prepared in duplicate, in accordance with the titles of the columns and lines and the instructions on the form. He will forward the original to the district supervisor and retain the copy for his files.

§ 184.825 *District supervisor's report of locks and gauging instruments.* District supervisors will be held accountable for the Government locks and seals, including cap seals, supplied upon their respective requisitions, and for those received from their predecessors in office. Outgoing district supervisors will take receipts from their successors in office for the Government locks then in use and on hand, and for seals on hand in the district. District supervisors will keep an account of locks and gauging instruments, and will make return thereof semiannually to the Commissioner on Form 152.

§ 184.826 *Requisition for lock seals.* Lock seals will be furnished by the Commissioner in sheets of 54 seals each, upon requisition by the district supervisor. Requisitions should be made for the number of seals sufficient to meet the needs of the district for 6 months.

SUBPART NN—MANUFACTURE OF DEALCOHOLIZED WINES

§ 184.835 *General.* Dealcoholized wines containing less than one-half of 1 percent of alcohol by volume may be manufactured on the premises of a fruit distillery.

(Secs. 3030, 3031, I. R. C.)

§ 184.836 *Materials.* Wines containing one-half of 1 percent or more of alcohol by volume may be procured from bonded wineries or bonded storerooms for use in the manufacture of dealcoholized wines containing less than one-half of 1 percent of alcohol by volume. All wines received for use in the manufac-

ture of such dealcoholized wines will, at the time of receipt, be measured and tested by the distiller and entered on Form 15 and Form 1493, with the date of receipt and the name, registry number, and location of the bonded premises from which received. When the wine is distilled, appropriate entry will be made on Form 15 in the same manner as when other distilling material is distilled.

(Secs. 3030, 3031, I. R. C.)

§ 184.837 *Production.* The wine must be distilled and the spirits extracted therefrom must be saved and duly accounted for on Form 15. The residue, or dealcoholized wine containing less than one-half of 1 percent of alcohol by volume, may be further treated before removal from the distillery premises to render the same marketable, but the treatment must be such as will not cause the alcoholic content of the dealcoholized wine to increase to as much as one-half of 1 percent by volume after its removal from the distillery premises. Where such wines are found on the market containing alcohol in excess of the limit specified, the distiller will be liable for the tax thereon and to the penalties prescribed by law, and the packages and their contents will be subject to seizure and forfeiture. When the manufacture of the dealcoholized wine is complete, it must be placed in barrels, casks, or tanks, plainly and legibly marked with the words "Dealcoholized Wine," and kept separate from containers of distilled spirits pending removal from the premises.

(Secs. 3030, 3031, I. R. C.)

§ 184.838 *Removal.* Dealcoholized wine must be drawn into barrels or similar containers prior to removal from the distillery premises: *Provided*, That such dealcoholized wines may be transferred by pipeline to a bottling plant on contiguous premises for bottling, where in the judgment of the district supervisor such may be done without jeopardy to the revenue. Dealcoholized wine must not be drawn off or removed through the receiving room or brandy deposit room or bonded warehouse.

(Secs. 3030, 3031, I. R. C.)

§ 184.839 *Marking of packages.* If dealcoholized wine is drawn into packages for shipment, such packages must be marked by the distiller with his name, distillery number, location (city or town and State), the words "Dealcoholized Wine" and "Less than One-Half of 1 Percent of Alcohol by Volume" or "Contains No Alcohol," as the case may be, and the date of removal, in distinct and legible letters.

(Secs. 3030, 3031, I. R. C.)

§ 184.840 *Supervision of removal.* All dealcoholized wine must be removed from the distillery premises under the immediate supervision of the storekeeper-gauger. Prior to removal, the storekeeper-gauger will inspect the dealcoholized wine and determine the alcoholic content thereof by ebulliometer test.

(Secs. 3030, 3031, I. R. C.)

§ 184.841 *Bottles to be labeled.* When dealcoholized wines are bottled after re-

moval from the distillery premises, there shall be affixed to each bottle a label setting forth the name of the distiller and the location of the distillery, together with the words "Dealcoholized Wine" and "Less than One-Half of 1 Percent of Alcohol by Volume," or "Contains No Alcohol," as the case may be: *Provided*, That where the dealcoholized wine is bottled by or for a dealer there may be substituted for the name of the distiller and the location of the distillery, the registered number and State of the distillery, preceded by the letters "F. D.," as "F. D. No. 150—Cal.," and the name and address of the person by or for whom the dealcoholized wine is bottled, preceded by the words "Bottled by" or "Bottled for," as the case may be.

(Secs. 3030, 3031, I. R. C.)

§ 184.842 *Record and report, Form 1493.* Every fruit distiller manufacturing dealcoholized wine shall keep a record on Form 1493 for each month that dealcoholized wine is produced, or dealcoholized wine or wine containing one-half of 1 percent or more of alcohol by volume procured for the manufacture of dealcoholized wine, remains on the premises. Entries shall be made on the form as indicated by the headings of the various columns and lines thereof. The form will be retained at the distillery as a permanent record, subject to inspection by Government officers. The distiller shall prepare and forward two copies of Form 1493 to the district supervisor not later than the 10th day of the month succeeding that for which the report is rendered. The district supervisor will retain one copy in his office and will, after audit and not later than the last day of the month succeeding that for which the report is rendered, transmit the other copy to the Commissioner.

(Secs. 3030, 3031, I. R. C.)

SUBPART OO—OFFICER'S RIGHT OF ENTRY AND EXAMINATION

§ 184.850 *Entry of distillery or premises used in connection therewith.* Under the law, any internal revenue officer may at all times, as well by night as by day, enter any distillery or building or place used for the business of distilling, or used in connection therewith for storage or other purposes, and, if not admitted upon demand, having declared his name and office, he may break open any doors or windows or break through any of the walls of such premises necessary to be broken to enable him to enter.

(Sec. 2827, I. R. C.)

§ 184.851 *Authority to break up grounds or walls.* Under the law, any internal revenue officer and any persons acting in his aid may break up the ground on any part of the distillery or premises of a distiller, or any ground adjoining or near any such distillery or premises, or any wall or partition thereof or belonging thereto, or other place, to search for any pipe, cock, private conveyance, or utensil, and upon finding any pipe or conveyance leading from or to the distillery premises to break up any ground, house, wall or other place through or into which such pipe or con-

veyance leads, and to break or cut away such pipe or other conveyance.

(Sec. 2830, I. R. C.)

§ 184.852 Examination of worm tubs. Under the law, any internal revenue officer may require the water in any worm tub to be drawn off and the tub and worm cleansed at any time when the still is not at work, and the water must be kept out of the worm tub for 2 hours or until the officer has finished his examination.

(Sec. 2839, I. R. C.)

§ 184.853 Distillers to furnish assistance. Under the law, on demand of any internal revenue officer, every distiller shall furnish convenient ladders to enable the officer to examine any vessel or utensil in his distillery, and shall furnish all assistance, lights, tools, or other things necessary for inspecting the premises and apparatus, and shall open all doors, boxes, packages, and all casks, barrels, and other vessels not under the control of the Government officer in charge thereof.

(Sec. 2828, I. R. C.)

SUBPART PP—RULES FOR COMPUTING CAPACITY OF STILL

§ 184.860 Pot or kettle stills. The estimated maximum capacity in proof gallons of brandy capable of being produced every 24 hours, which is required to be shown on the distillers notice, will be computed as follows: The working capacity of pot or kettle stills will be determined by multiplying 80 percent of the cubic capacity of the still by the maximum number of boilings that can be made in 24 hours and then multiplying this result by the percent of alcohol by volume contained in the highest yielding material to be used in distillation. This result will represent the quantity of wine gallons of absolute alcohol that can be distilled in 24 hours. This quantity, when multiplied by 2, will represent the number of proof gallons. For example, if a pot still having a cubic capacity of 2,000 gallons is used, and such still can be charged three times in 8 hours and the highest percentage of alcohol by volume in the distilling material to be used is 8 percent, the brandy-producing capacity of the still will be computed as follows: $2,000 \times 0.8 \times 9 \times 0.08 \times 2 = 2,304$ proof gallons. (The quantity that can be distilled in 24 hours.)

§ 184.861 Charge chamber stills. The estimated maximum capacity in proof gallons of brandy capable of being produced every 24 hours which is required to be shown on the distiller's notice, will be computed as follows: Where a charge chamber still is used, the estimated maximum quantity of brandy in proof gallons capable of being produced will be determined by multiplying 80 percent of the cubic capacity of the top or charge chamber of the still by the number of times the same can be filled and emptied in 24 hours. This result will represent the total number of gallons of distilling material that can be distilled in 24 hours, which quantity will be multiplied by the percent of alcohol by volume contained in the highest yielding material to be

used. The result of such computation will represent the number of wine gallons of absolute alcohol that can be distilled in 24 hours. This quantity, when multiplied by 2, will represent the number of proof gallons. For example, if a charge still is used having a charge chamber of a cubic capacity of 600 gallons which can be charged three times in one hour, and the highest percentage of alcohol by volume in the distilling material to be used is 8 percent, the brandy-producing capacity will be computed as follows: $600 \times 0.8 \times 3 \times 24 \times 0.08 \times 2 = 5,529.6$ proof gallons. (The quantity that can be distilled in 24 hours.)

§ 184.862 Continuous stills. The estimated maximum capacity in proof gallons of brandy capable of being produced every twenty-four hours, which is required to be shown on the distiller's notice, will be computed as follows: If continuous stills are used, the maximum brandy-producing capacity in proof gallons of such stills will be computed on the area of the column in square feet. The first step will be to determine the inside diameter of the still at its base and the diameter will then be divided by 2 to ascertain the radius. The diameter may be determined (a) by accurately measuring the inside width of the still with a rod or tape, or (b) by measuring the outside circumference of the still and dividing the same by 3.1416 and deducting from the quotient twice the thickness of the sides of the still. The radius (in feet) will be squared and then multiplied by 3.1416 (π) to ascertain the area of the column in square feet. The area in square feet will be multiplied by the factor 40 (the number of gallons of 100 proof spirits that can be distilled in one hour per square foot of plate area) and the result will represent the total number of gallons of 100 proof spirits that can be distilled in one hour. This quantity will be multiplied by 24 to determine the number of gallons of 100 proof spirits that can be distilled in one day. For example, if a continuous still having a diameter of 4 feet is used, the brandy-producing capacity will be computed as follows: $2 \times 2 \times 3.1416 \times 40 \times 24 = 12,063.74$ proof gallons. (The quantity that can be produced in 24 hours.)

3. The purposes of the proposed regulations are as follows:

(a) To conform to Public Law 448—81st Congress (H. R. 5486);

(b) To delegate to district supervisors the authority to approve the establishment of registered fruit distilleries;

(c) To incorporate in the regulations provisions relating to the gauging of distilled spirits at registered distilleries, now contained in the Gauging Manual (26 CFR, Part 186) but which are being deleted from the current revision of such manual;

(d) To liberalize requirements pertaining to tanks now required to be of uniform dimensions;

(e) To provide for the weighing of spirits transferred by pipe line to a warehouse on premises contiguous to the distillery premises, either in the distillery or in the warehouse;

(f) To simplify the procedure relating to alternating proprietorships and types of plants;

(g) To prescribe in lieu of an oath a declaration, subject to the penalties of perjury, for the following forms:

Form 26, "Registry of Stills";

Form 52-C, "Monthly Record and Report of Internal Revenue Bonded Warehouse";

Form 52-F, "Wholesale Liquor Dealer's Monthly Record and Report of Purchases and Sale of Warehouse Receipts for Distilled Spirits";

Form 338, "Wholesale Liquor Dealer's Monthly Report";

(h) To effectuate other changes of a technical nature designed to clarify the present regulatory procedure;

(i) To rearrange the text to conform to the Federal Register Regulations (5 F. R. 1245).

[F. R. Doc. 50-4789; Filed, June 13, 1950; 9:04 a. m.]

DEPARTMENT OF AGRICULTURE

Bureau of Animal Industry

[9 CFR, Part 131]

[Docket No. AO16-A3]

HANDLING OF ANTI-HOG-CHOLERA SERUM AND HOG-CHOLERA VIRUS

NOTICE OF HEARING ON PROPOSED AMENDMENTS TO THE MARKETING AGREEMENT AND ORDER, AS AMENDED

Pursuant to the provisions of Public Law 320, 74th Congress, approved August 24, 1935 (49 Stat. 781; 7 U. S. C. 851 et seq.) and the rules of practice and procedure governing formulation of Marketing Agreements and Marketing Orders applicable to Anti-Hog-Cholera Serum and Hog-Cholera Virus (9 CFR, Part 131), notice is hereby given of a public hearing to be held at the United States Court Room, Federal Building, St. Joseph, Missouri, beginning at 10:00 a. m., c. s. t., June 19, 1950, for the purpose of receiving evidence with respect to proposed amendments hereinafter set forth or appropriate modifications thereof to the Marketing Agreement and Order, as amended, heretofore approved by the Secretary of Agriculture, regulating the handling of anti-hog-cholera serum and hog-cholera virus in interstate commerce or so as to directly burden, obstruct, or affect interstate commerce (9 CFR Part 131). The specific proposed amendments hereinafter set forth have not received the approval of the Secretary of Agriculture.

Amendments to the Marketing Agreement and BAI Order No. 361, as amended, have been proposed by the Control Agency administering the provisions of such Order, as follows:

1. Delete paragraph (a) of § 131.8 and substitute therefor the following:

(a) (1) The pro rata share of the expenses of the Control Agency to be borne by handlers who are wholesalers shall be determined as follows: Multiply the number of wholesalers of record on December 31st of the preceding calendar year by $\frac{1}{10}$ of 1 percent and then multiply the result thereof by the total expense of the Control Agency for the

current year. The resulting sum shall be the pro rata share of handlers who are wholesalers of the expense of the Control Agency, and shall be assessed as set forth in paragraph (c) of this section: *Provided*, That the pro rata share so computed shall not exceed thirty-three and one-third percent (33 1/3%) of the total expense of the Control Agency, in which event the pro rata share of such handlers shall be adjusted to thirty-three and one-third percent of the total expense of the Control Agency.

(2) The pro rata share of the expenses of the Control Agency to be borne by handlers who are manufacturers shall be the balance remaining after deducting the pro rata share of the wholesaler handlers from the total expense of the Control Agency, and shall be assessed as set forth in paragraph (d) of this section.

(3) The assessments of all handlers may be adjusted from time to time by the Control Agency, with approval of the Secretary, in order to provide funds sufficient in amount to cover any later findings by the Secretary of estimated expenses or actual expenses of the Control Agency during the calendar year.

2. Delete paragraph (b) of § 131.8 and substitute therefor the following:

(b) As his pro rata share of the expenses of the Control Agency to be borne by all wholesaler handlers, each wholesaler handler shall pay to the Control Agency a sum computed on the basis of the volume of serum marketed by such handler during the preceding calendar year at the following applicable rates:

(1) One million cubic centimeters, or less: \$25.00;

(2) Over one million cubic centimeters: At a rate to be fixed by the Secretary based upon the ratio between the quantity of serum handled by each wholesaler handler who handles in excess of one million cubic centimeters of serum and the total quantity of serum handled by all wholesaler handlers who handle in excess of one million cubic centimeters of serum.

The pro rata share of all wholesaler handlers shall be obtained by first assessing the first one million (1,000,000) cubic centimeters of serum marketed by each wholesaler handler, and if the sum obtained is not sufficient to cover the total amount of the pro rata share of all wholesaler handlers such additional amounts as are necessary shall be assessed as set forth in subparagraph (2) of this paragraph. If the total sum obtained by assessing the first one million cubic centimeters, or less, of serum marketed by each wholesaler is greater than the pro rata share of all wholesaler handlers, the rate of assessment for one million cubic centimeters, or less, shall be adjusted by the Secretary to an amount that will return the sum necessary to cover the pro rata share of all wholesaler handlers. The exact amount of each wholesaler handler's pro rata share shall be computed by the disinterested agency selected under the provisions of paragraph (d) of this section. Such pro rata share shall be subject to the approval of the Secretary. The pro rata share of each wholesaler handler shall be paid as follows: \$25.00 on or before January 15 of each year beginning with the year 1951, and the remaining sum, if any, within fifteen (15) days

after being billed therefor. In the event the Secretary adjusts the pro rata share of each wholesaler handler to an amount less than \$25.00, the excess paid shall be credited on such handler's pro rata share of the following year's assessment.

3. Delete paragraph (c) of § 131.8 and substitute therefor the following:

(c) On and after January 1, 1951, each application for classification as a wholesaler shall be accompanied by a fee of Twenty-five Dollars (\$25.00). If the application is rejected such fee shall be refunded to the applicant. If the application is approved the fee shall be retained and used for the maintenance and functioning of the Control Agency as such applicant's pro rata share of expenses of such agency for the year in which the application is approved.

By the Bureau of Animal Industry:

4. Make such other changes as may be required to make the entire Marketing Agreement and Order, as amended, conform with any amendment thereto which may result from this hearing.

5. To conform the numbering of the order with the Federal Register Regulations.

Copies of this notice of hearing may be procured from the Hearing Clerk, Room 1353, South Building, United States Department of Agriculture, Washington 25, D. C., or may there be inspected.

Dated June 9, 1950, at Washington, D. C.

[SEAL] CHARLES F. BRANNAN,
Secretary of Agriculture.

[F. R. Doc. 50-5073; Filed, June 13, 1950; 8:47 a. m.]

NOTICES

DEPARTMENT OF THE INTERIOR

Office of the Secretary

[Order 2565]

ALASKA ROAD COMMISSION

DELEGATION OF AUTHORITY

JUNE 5, 1950.

The Commissioner of Roads for Alaska and the Chief Engineer of the Alaska Road Commission, severally, are authorized to acquire for the Alaska Road Commission rights-of-way by purchase or donation under any Interior Department appropriation act authorizing such acquisitions.

OSCAR L. CHAPMAN,
Secretary of the Interior.

[F. R. Doc. 50-5061; Filed, June 13, 1950; 8:46 a. m.]

DEPARTMENT OF AGRICULTURE

Forest Service

SANTA FE NATIONAL FOREST, NEW MEXICO

REMOVAL OF TRESPASSING HORSES

Whereas a number of horses are trespassing and grazing on land in the Santa

Fe National Forest, in the State of New Mexico; and

Whereas these horses are consuming forage needed for permitted livestock, are causing extra expense to established permittees, damaging the range, and injuring the Pecos Watershed;

Now, therefore, by virtue of the authority vested in the Secretary of Agriculture by the act of June 4, 1897 (30 Stat., 35; 16 U. S. C. 551), and the act of February 1, 1905 (33 Stat. 628; 16 U. S. C. 472), the following order is issued for the occupancy, use, protection, and administration of land in the Santa Fe National Forest:

Temporary closure from livestock grazing. (a) The following described areas in the Santa Fe National Forest, State of New Mexico, are hereby closed from June 15, 1950, to June 14, 1951, to the grazing of horses, excepting those that are lawfully grazing on or crossing land in such areas pursuant to the regulations of the Secretary of Agriculture, or which are used in connection with operations authorized by such regulations, or used as riding, pack, or draft animals by persons traveling over such land:

Tres Hermanos, San Pablo, San Geronimo, and a portion of the El Barro Allotments located on the Colonias and Las Vegas Dis-

tricts of the Santa Fe National Forest. Beginning at the corner common to secs. 16, 17, 20, and 21, T. 16 N., R. 14 E.; thence southwesterly along the ridge between Hyce Creek and the falls tributary of the Falls Creek to the main divide between the Pecos River drainage and the Tecolote Creek drainage, further described as the Barillas Peak—El Barro Peak Ridge; thence southeasterly along the top of this divide to a point where it is intersected by the section line between secs. 26 and 35, T. 15 N., R. 14 E.; then due west to the corner common to secs. 27, 28, 33, and 34; then due south to the township line between T. 14 N., and T. 15 N.; thence due east to the northwest corner of sec. 2, T. 14 N., R. 14 E.; thence due south one mile to the forest boundary fence; thence along this fence east one mile, south one mile, and east 3 1/4 miles to the southeast corner of the forest on the west bank of Tres Hermanos Creek; thence northwesterly following the forest boundary fence which excludes private lands within the proclamation boundary of Santa Fe National Forest, to the SE corner of the NE 1/4 NE 1/4 of sec. 27, T. 16 N., R. 14 E.; thence following a woven wire fence west 1/2 mile, north 1/2 mile, east 1/4 mile, north 1/2 mile to the SW corner of NE 1/4 NE 1/4 of sec. 22, T. 16 N., R. 14 E.; thence following a barbed wire fence due west 1/2 mile and then due north 1/4 mile to the section line between secs. 15 and 22, T. 16 N., R. 14 E. Thence due west following the barbed wire forest boundary fence 1 1/4 miles to the point of beginning.

(b) Officers of the United States Forest Service are hereby authorized to dispose of, in the most humane manner, all horses found trespassing or grazing in violation of this order.

(c) Public notice of intention to dispose of such horses shall be given by posting notices in public places or advertising in a newspaper of general circulation in the locality in which the Santa Fe National Forest is located.

Done at Washington, D. C., this 9th day of June 1950. Witness my hand and the seal of the Department of Agriculture.

[SEAL] K. T. HUTCHINSON,
Assistant Secretary of Agriculture.

[F. R. Doc. 50-5098; Filed, June 13, 1950;
8:51 a. m.]

Office of the Secretary

LOUISIANA, MINNESOTA, MONTANA AND
NORTH DAKOTA

DESIGNATION OF DISASTER AREAS

Pursuant to the authority contained in Public Law 38, 81st Congress, approved April 6, 1949, designation of disaster areas having a need for agricultural credit have been made as follows:

LOUISIANA

The following parishes were designated, on May 9, 1950, as disaster areas due to adverse weather conditions and floods:

| | |
|------------|--------------|
| Avoyelles. | Ouachita. |
| Caldwell. | St. Tammany. |
| La Salle. | |

MINNESOTA

The following counties were designated, on May 1, 1950, as disaster areas due to floods:

| | |
|---------|----------|
| Aitkin. | Kittson. |
|---------|----------|

The following counties were designated, on May 18, 1950, as disaster areas due to floods:

| | |
|-------------|------------|
| Beltrami. | Polk. |
| Marshall. | Roseau. |
| Pennington. | St. Louis. |

MONTANA

The following counties were designated, on April 6, 1950, as disaster areas due to adverse weather conditions and serious grasshopper infestation:

| | |
|-----------|------------|
| Big Horn. | Phillips. |
| Carter. | Prairie. |
| Custer. | Richland. |
| Daniels. | Roosevelt. |
| Dawson. | Rosebud. |
| Fallon. | Sheridan. |
| Garfield. | Treasure. |
| Hill. | Valley. |
| McCone. | Wibaux. |

NORTH DAKOTA

The following county was designated, on April 26, 1950, as a disaster area due to below normal rainfall and serious grasshopper infestation:

Divide.

The following counties were designated, on May 9, 1950, as disaster areas due to floods:

No. 114—12

Grand Forks.
Pembina.

Traill.
Walsh.

Done at Washington, D. C., this 9th day of June 1950.

[SEAL] CHARLES F. BRANNAN,
Secretary of Agriculture.

[F. R. Doc. 50-5077; Filed, June 13, 1950;
8:47 a. m.]

DEPARTMENT OF LABOR

Wage and Hour Division

LEARNER EMPLOYMENT CERTIFICATES

ISSUANCE TO VARIOUS INDUSTRIES

Notice is hereby given that pursuant to section 14 of the Fair Labor Standards Act of 1938, as amended (52 Stat. 1068, as amended; 29 U. S. C. and Supp. 214), and Part 522 of the regulations issued thereunder (29 CFR, Part 522), special certificates authorizing the employment of learners at hourly wage rates lower than the minimum wage rate applicable under section 6 of the act have been issued to the firms listed below. The employment of learners under these certificates is limited to the terms and conditions therein contained and is subject to the provisions of Part 522. The effective and expiration dates, occupations, wage rates, number or proportion of learners, and learning period for certificates issued under the general learner regulations (§§ 522.1 to 522.14) are as indicated below; conditions provided in certificates issued under special industry regulations are as established in those regulations.

Single Pants, Shirts and Allied Garments, Women's Apparel, Sportwear and Other Odd Outerwear, Rainwear, Robes and Leather and Sheep-Lined Garments Divisions of the Apparel Industry, Learner Regulations, (29 CFR, 522.160 to 522.165; as amended, January 25, 1950 (15 F. R. 399)).

Calumet Garment Co., 913 East Chicago Avenue, East Chicago, Ind., effective 5-31-50 to 7-25-50; additional 10 learners for expansion.

Ben Chusid, 28 North George Street, York, Pa., effective 6-1-50 to 7-25-50; 10 percent.

Fashion Frocks, Inc., of Tennessee, Greenville, Tenn., effective 5-29-50 to 7-25-50; six learners for expansion.

Fern Hill Manufacturing Co., Inc., 801 East Scott Street, Olyphant, Pa., effective 5-31-50 to 7-25-50; 10 percent.

Freed Manufacturing Co., Inc., 211-13 Broad Street, Lansdale, Pa., effective 5-29-50 to 7-25-50; three learners.

Lyons Textile Mill, Inc., Greensboro, Ga., effective 6-9-50 to 7-25-50; two learners.

Mary Martin Dress Shop, 208 Wyalasing Street, Old Forge, Pa., effective 6-1-50 to 7-25-50; 10 percent.

J. Olsher & Co., 445 North Ninth Street, Clinton, Ind., effective 6-3-50 to 7-25-50; five additional learners for expansion.

R & M Manufacturing Corp., 100 Water Street, Leominster, Mass., effective 6-1-50 to 7-25-50; 10 percent.

Sagamore Manufacturing Co., Weaver Street, Fall River, Mass., effective 6-1-50 to 7-25-50; 10 percent.

N. B. Spooner Co., 12-18 East Coal Street, Shenandoah, Pa., effective 6-3-50 to 7-25-50; 10 percent.

Streamline Garment Corp., 101 East Poplar Street, West Frankfort, Ill., effective 5-31-50 to 7-25-50; addition 10 learners for expansion.

Tanger Manufacturing Co., Inc., 67 Franklin Street, New Haven, Conn., effective 6-1-50 to 7-25-50; 10 percent.

Violet Dress Co., 77 South Main Street, Pittston, Pa., effective 6-3-50 to 7-25-50; 10 percent.

Cigar Learner Regulations (29 CFR 522.201 to 522.211; as amended January 25, 1950 (15 F. R. 400)).

H. Fendrich, Inc., 101 Oakley Street, Evansville, Ind., 10 percent learners; effective 5-26-50 to 5-25-51, machine stripping, 160 hours, 60 cents per hour.

Glove Learner Regulations (29 CFR, 522.220 to 522.222; as amended January 25, 1950 (15 F. R. 400)).

Fox River Glove Co., Inc., Ripon, Wis., effective 5-23-50 to 7-24-50; two learners.

Knitted Wear Learner Regulations (29 CFR, 522.68 to 522.79; as amended January 25, 1950 (15 F. R. 398)).

Marengo Mills, Demopolis, Ala., effective 5-30-50 to 7-24-50; 25 learners for expansion. Spencer Manufacturing Co., Oak Drive, Spencer, W. Va., effective 6-5-50 to 7-25-50; 34 learners for expansion.

Regulations Applicable to the Employment of Learners (29 CFR, 522.1 to 522.14):

Leominster Plastics Co., 55 North Street, Fitchburg, Mass., effective 6-1-50 to 12-1-50; 300 learners; assemblers, 160 hours, 65 cents per hour.

Nashua Plastic Co., Inc., Factory Street, Nashua, N. H., effective 6-1-50 to 12-1-50; 300 learners; assemblers, 160 hours, 65 cents per hour.

Penn State Belt & Buckle Co., Inc., Market and Curran Streets, Pittston, Pa., effective 5-29-50 to 11-29-50; 30 learners for expansion; machine operator, 320 hours, 60 cents per hour.

Sommer-Spitz Corp., 1826 South Washenaw Avenue, Chicago 8, Ill., effective 6-1-50 to 12-1-50; five learners; assemblers, 160 hours, 65 cents per hour.

Southern Tailoring Co., Inc., New Orleans, La., effective 5-29-50 to 11-29-50; seven percent learners; power machine operating, 480 hours, first 240 hours at 60 cents per hour, next 240 hours at 65 cents per hour.

York Embroidery Co., 380 Wheatfield Street, York, Pa., effective 6-2-50 to 12-2-50; 30 learners for expansion; hand sewers, 320 hours, 60 cents per hour.

The following special learner certificates were issued in the Shoe Industry. These certificates authorize the employment of learners in any occupations except custodial, maintenance, supervisory, and office and clerical occupations. The learning period is 480 hours at not less than 65 cents an hour for the first 240 hours and not less than 70 cents an hour for the next 240 hours, except as otherwise indicated in parentheses.

Correct Shoes, Inc., Sycamore and Water Streets, Florence, Ala., effective 6-2-50 to 8-25-50; 73 learners.

Mutual Shoe Co., 135 Maple Street, Marlboro, Mass., effective 5-29-50 to 8-25-50; 5 percent learners.

Each certificate has been issued upon the employer's representation that employment of learners at subminimum rates is necessary in order to prevent curtailment of opportunities for employment, and that experienced workers for the learner occupations are not available. The certificates may be cancelled in the manner provided in the regulations and as indicated in the certificates. Any person aggrieved by the issuance of any of these certificates may seek a review or reconsideration thereof within 15 days after publication of this notice in the

FEDERAL REGISTER pursuant to the provisions of Part 522.

Signed at Washington, D. C., this 6th day of June 1950.

ISABEL FERGUSON,
Authorized Representative
of the Administrator.

[F. R. Doc. 50-5065; Filed, June 13, 1950;
8:46 a. m.]

GENERAL SERVICES ADMINISTRATION

ALLEVIATION OF DISASTER CAUSED BY RECENT FLOODS IN SOUTH DAKOTA

DELEGATION OF AUTHORITY

1. Pursuant to authority vested in me by the provisions of the Federal Property and Administrative Services Act of 1949, authority is hereby delegated to the Housing and Home Finance Administrator acting through the Community Facilities Service, an organizational unit in the Office of the Administrator of the Housing and Home Finance Agency, to take all action authorized by or pursuant to Public Law 233, 80th Congress, entitled, "An act to make surplus property available for the alleviation of damage caused by flood or other catastrophe," and the Independent Offices Appropriation Act, 1950, for and in connection with the alleviation of damage, hardship, and suffering caused within the State of South Dakota by recent floods in such State, subject to the terms and conditions as hereinafter set forth.

2. The authority conferred herein shall be exercised in accordance with the policies, procedures, and controls prescribed by the General Services Administration, and shall further be exercised in cooperation with the Special Assistant to the Administrator in such Administration.

3. Grants or other expenditures of funds allotted from the Emergency Fund for the President shall be accounted for as expenditures of the General Services Administration under allotments established by it within the scope of this delegation. Expenses of the Housing and Home Finance Agency incident to administering this delegation shall be reimbursed to the Housing and Home Finance Agency by the General Services Administration out of funds available to the Administrator of General Services pursuant to said Public Law 233.

4. This delegation of authority shall be effective as of the date hereof.

JESS LARSON,
Administrator.

Consented to:

RAYMOND M. FOLEY,
Administrator,
Housing and Home Finance
Agency.

JUNE 1, 1950.

[F. R. Doc. 50-5081; Filed, June 13, 1950;
8:48 a. m.]

INTERSTATE COMMERCE COMMISSION

[4th Sec. Application 25161]

MERCHANDISE FROM ATLANTA, GA., TO
BIRMINGHAM, ALA.

APPLICATION FOR RELIEF

JUNE 9, 1950.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: R. E. Boyle, Jr., Agent, for and on behalf of the Atlanta and West Point Rail Road Company and other carriers named in the application.

Commodities involved: Merchandise, mixed carloads.

From: Atlanta, Ga.

To: Birmingham, Ala.

Grounds for relief: Circuitous routes.

Schedules filed containing proposed rates: C. A. Spaninger's tariff I. C. C. No. 1073, Supplement 45.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL]

W. P. BARTEL,
Secretary.

[F. R. Doc. 50-5067; Filed, June 13, 1950;
8:47 a. m.]

[4th Sec. Application 25162]

FRESH MEATS FROM WESTERN TRUNK LINE
TERRITORY TO CALIFORNIA

APPLICATION FOR RELIEF

JUNE 9, 1950.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: L. E. Kipp, Agent, for and on behalf of carriers parties to his tariff I. C. C. No. 1536.

Commodities involved: Fresh meats and packing house products, carloads.

From: Points in Western Trunk Line territory.

To: Points in California.

Grounds for relief: Circuitous routes.

Schedules filed containing proposed rates: L. E. Kipp's tariff I. C. C. No. 1536, Supplement 24.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL]

W. P. BARTEL,
Secretary.

[F. R. Doc. 50-5068; Filed, June 13, 1950;
8:47 a. m.]

[4th Sec. Application 25163]

CLAY FROM WEST VIRGINIA TO TRUNK LINE
AND NEW ENGLAND TERRITORIES

APPLICATION FOR RELIEF

JUNE 9, 1950.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: B. T. Jones, Agent, for and on behalf of carriers parties to his tariff I. C. C. No. 3758, pursuant to fourth-section order No. 9800.

Commodities involved: Clay, processed, carloads.

From: Points in West Virginia.

To: Points in Trunk Line and New England territories.

Grounds for relief: Circuitous routes.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL]

W. P. BARTEL,
Secretary.

[F. R. Doc. 50-5069; Filed, June 13, 1950;
8:47 a. m.]

[4th Sec. Application 25164]

GRAIN FROM THE WEST TO NORTH PACIFIC
COAST TERRITORY

APPLICATION FOR RELIEF

JUNE 9, 1950.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: L. E. Klipp, Agent, for and on behalf of carriers parties to his tariff I. C. No. 1531.

Commodities involved: Grain, grain products, seeds and related articles, carloads.

From: Points in Western Trunk Line territory.

To: Points in North Pacific Coast territory.

Grounds for relief: Circuitous routes and to maintain grouping.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 50-5070; Filed, June 13, 1950;
8:47 a. m.]

[4th Sec. Application 25165]

LOGS FROM CRAWFORD, TENN., TO
ALTAVISTA, VA.

APPLICATION FOR RELIEF

JUNE 9, 1950.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: J. G. Kerr, Agent, for and on behalf of the Southern Railway Company and Tennessee Central Railway Company.

Commodities involved: Logs, native wood, carloads.

From: Crawford, Tenn.

To: Altavista, Va.

Grounds for relief: Circuitous routes.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their

interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 50-5071; Filed, June 13, 1950;
8:47 a. m.]

SECURITIES AND EXCHANGE
COMMISSION

[File Nos. 7-1239, 1241, 1242]

MAGNAVOX CO. ET AL.

NOTICE OF APPLICATION FOR UNLISTED TRADING
PRIVILEGES, AND OF OPPORTUNITY FOR
HEARING

At a regular session of the Securities and Exchange Commission held at its office in the city of Washington, D. C., on the 8th day of June A. D. 1950.

In the matter of applications by the Boston Stock Exchange for unlisted trading privileges in the Magnavox Company Common Stock \$1 Par Value, 7-1239; The West Penn Electric Company (Incorporated) Common Stock No Par Value, 7-1241; Columbia Broadcasting System, Inc., Common Stock, Class A, \$2.50 Par Value, 7-1242.

The Boston Stock Exchange, pursuant to section 12 (f) (2) of the Securities Exchange Act of 1934 and Rule X-12F-1 thereunder, has made application to extend unlisted trading privileges to each of the above-mentioned securities, each of which is registered and listed on the New York Stock Exchange.

Rule X-12F-1 provides that the applicant shall furnish a copy of each application to the issuer and to every exchange on which the security is listed or already admitted to unlisted trading privileges. Each application is available for public inspection at the Commission's principal office in Washington, D. C.

Notice is hereby given that, upon request of any interested person received prior to June 20, 1950, the Commission will set the matter down for hearing. In addition, any interested person may submit his views or any additional facts bearing on these applications by means of a letter addressed to the Secretary of the Securities and Exchange Commission, Washington, D. C. If no one requests a hearing, these applications will be determined by order of the Commission on the basis of the facts stated in the applications, and other information contained in the official files of the Commission.

By the Commission.

[SEAL] ORVAL L. DuBOIS,
Secretary.

[F. R. Doc. 50-5062; Filed, June 13, 1950;
8:46 a. m.]

[File No. 54-130]

INTERSTATE POWER CO.

NOTICE OF AND ORDER RECONVENING HEARING

At a regular session of the Securities and Exchange Commission held at its office in the city of Washington, D. C., on the 8th day of June A. D. 1950.

1. By order herein dated June 30, 1949 (Holding Company Act Release No. 9202), the Commission approved a plan ("Compromise Plan") pursuant to section 11 (e) of the Public Utility Holding Company Act of 1935 ("Act") providing for the distribution of 944,961 escrowed shares of the new common stock of Interstate Power Company ("Interstate"), a registered holding company, together with approximately \$1,050,000 of escrowed cash, among the holders of Interstate's formerly outstanding 6% Debentures due 1952, the public holders of Interstate's formerly outstanding \$6 and \$7 preferred stocks, and Ogden Corporation ("Ogden"). Interstate's former parent, as holder of Interstate's formerly outstanding 6 percent demand note and certain shares of Interstate's formerly outstanding preferred stocks. The provisions of the Compromise Plan and the controversies involved therein are described in the Commission's findings and opinion relating to the plan (Holding Company Act Release No. 9139).

Pursuant to sections 11 (e) and 18 (f) of the act, an application for enforcement of the Compromise Plan was filed by the Commission with the United States District Court for the District of Delaware. At a hearing before the Court on the Compromise Plan, Court approval thereof was opposed by a group ("Colton Group") of holders of Interstate's formerly outstanding preferred stocks. By opinion dated February 23, 1950 (Civil Action No. 1003), the Court held that the Commission's finding that the plan was fair and equitable was supported by evidence and not contrary to law. In a Memorandum dated March 2, 1950, dealing with proffers of new evidence by the Colton Group, the Court allowed the Colton Group time to present its alleged new evidence to the Commission. The Colton Group thereafter filed with the Commission a petition for hearing. Pursuant to a memorandum opinion of the Commission dated April 28, 1950 (Holding Company Act Release No. 9831), the Commission requested the Court for permission to reconvene the hearings in this matter for the limited purpose of receiving evidence on the question whether there has been such a change in the factors affecting the valuation of the escrowed Interstate common stock as to make the allocations proposed in the Compromise Plan no longer fair and equitable, to determine on the basis of the evidence so adduced whether a reconsideration of the fairness of the Compromise Plan is required, and to take such action with respect to any proposed amendments to the Compromise Plan, or any alternative plans, as the Commission might deem appropriate.

II. The Court, on May 18, 1950, having entered an order granting said request,

without prejudice to the Commission's right, after completion of said hearing and upon notice and opportunity for hearing to the parties, to submit to the Court a proposed order enforcing the Compromise Plan:

It is ordered, That a hearing on the matter be held on June 27, 1950 at 10 a. m., e. d. s. t., at the office of the Securities and Exchange Commission, 425 Second Street NW., Washington 25, D. C. On that date the hearing room clerk in Room 101 will advise as to the room in which the hearing will be held. Any person desiring to be heard or otherwise wishing to participate in the proceedings, who has not heretofore participated herein, should file with the Secretary of the Commission, on or before June 22, 1950, a request or application relative thereto as provided by Rule XVII of the Commission's rules of practice.

It is further ordered, That Richard Townsend or any other officer or officers of the Commission designated for that purpose shall preside at the hearing. The officer so designated is hereby authorized to exercise all powers granted to the Commission under section 18 (c) of the act and to a hearing officer under the Commission's rules of practice.

It is further ordered, That the evidence to be adduced at such hearing shall be limited to matters bearing upon the question whether there has been such a change in factors affecting the valuation of the escrowed Interstate common stock as to make the allocations proposed in the Compromise Plan no longer fair and equitable to the persons affected by it.

It is further ordered, That jurisdiction be, and hereby is, reserved to the Commission, after completion of said hearing, to submit to the Court a proposed order enforcing the Compromise Plan, or to take such other action in respect of the Compromise Plan, any proposed amendments thereto, or any alternative plan or plans, as the Commission may deem appropriate.

Notice is hereby given of said hearing to Ogden Corporation, to the Colton Group, to the Committee for the Preferred Stockholders of Interstate, and to Philip Crockett, representing certain holders of Interstate's 6 percent Debentures, and to all interested persons, said Notice to be given to Ogden, the Colton Group, the Committee, and Philip Crockett by registered mail addressed to them or to their attorneys of record, and to all other persons by a general release of this Commission which shall be distributed to the press and mailed to all persons on the mailing list for releases issued under the act, and by publication in the FEDERAL REGISTER.

By the Commission.

[SEAL]

ORVAL L. DuBOIS,
Secretary.

[F. R. Doc. 50-5063; Filed, June 13, 1950;
8:46 a. m.]

[File Nos. 52-28, 54-183, 70-2402]

PHILADELPHIA CO. ET AL.

NOTICE OF FILING, NOTICE OF AND ORDER FOR
HEARING, AND ORDER CONSOLIDATING
PROCEEDINGS

At a regular session of the Securities and Exchange Commission, held at its office in the city of Washington, D. C., on the 8th day of June 1950.

In the matter of Philadelphia Company, Allegheny County Steam Heating Company, Cheswick and Harmar Railroad Company, Duquesne Light Company, Equitable Real Estate Company, Equitable Sales Company, File No. 70-2402; Elmer E. Bauer, Trustee of Pittsburgh Railways Company, Debtor, and Philadelphia Company, File No. 52-28; Philadelphia Company, File No. 54-183.

Notice is hereby given that Philadelphia Company, a registered holding company, and its subsidiaries, Cheswick and Harmar Railroad Company ("Cheswick and Harmar"), a non-utility company, Equitable Real Estate Company ("Real Estate Company"), a non-utility company, Equitable Sales Company ("Sales Company"), a non-utility company, and Duquesne Light Company ("Duquesne"), a public utility company, and the latter company's subsidiary, Allegheny County Steam Heating Company ("Allegheny"), a non-utility company, have filed a joint application-declaration (File No. 70-2402) pursuant to sections 9 (a), 10, 12 (c) and 12 (f) of the Public Utility Holding Company Act of 1935 ("Holding Company Act") and Rules U-42, U-43, and U-46 of the rules and regulations promulgated thereunder.

All interested persons are referred to said application-declaration which is on file in the office of this Commission for a statement of the transactions therein proposed, which are summarized below:

Philadelphia Company is a subsidiary of Standard Gas and Electric Company, a registered holding company. It is also the parent company of Pittsburgh Railways Company ("Railways"), a non-utility company, and certain other street railway companies in the Pittsburgh Railways Company System ("Railways System"). Philadelphia Company has guaranteed performance by Railways of certain obligations under lease arrangements including, among other things, the making of payments to cover interest and dividends on certain securities of companies included in the Railways System and the joinder in refunding of various bonds at maturity. In one instance there is a direct guarantee of payment of principal and interest on bonds. The Commission, by order dated March 27, 1950, and the United States District Court for the Western District of Pennsylvania, by orders dated May 1, 1950, have approved a plan ("Combined Plan"), which was filed jointly (File Nos. 52-28 and 54-183) by Elmer E. Bauer, Trustee of Railways, and by Philadelphia Company, for the reorganization of the Railways System under Chapter X of the Bankruptcy Act and section 11 (f) of the Holding Company Act and for the discharge, pursuant to section 11 (e) of the

Holding Company Act, of Philadelphia Company's guarantees affecting the aforementioned securities of the Railways System.

As a necessary step preliminary to consummation of the Combined Plan, Philadelphia Company proposes to acquire all the securities of and claims against the Railways System held by its non-traction subsidiaries and by its former subsidiary, Equitable Gas Company. Such securities and claims, together with the securities of and claims against the Railways System now held by Philadelphia Company, are to be surrendered by Philadelphia Company, pursuant to the Combined Plan, in exchange for 50.9 percent of the common stock of the single company ("New Company") which, pursuant to the Combined Plan, will own and operate all the properties now comprising the Railways System.

To accomplish the proposed acquisitions, Allegheny proposes to declare a dividend in kind consisting of 6,860 shares of common stock, par value \$50 per share, of Suburban Rapid Transit Street Railway Company. Such dividend will be paid to Duquesne, which is the holder of all the common stock of Allegheny.

Duquesne proposes to declare a dividend in kind consisting of (a) the securities which it will receive from Allegheny, (b) a demand note of Consolidated Traction Company, dated August 21, 1932, having a face value of \$372,821.86 plus accrued interest, and (c) Duquesne's claims accrued on open account against Railways prior to May 11, 1938, in the amount of \$150,875.03, and subsequent to May 11, 1938, in the amount of \$653.05. Such dividend will be paid to Philadelphia Company, which is the holder of all the common stock of Duquesne.

Real Estate Company proposes to declare a dividend in kind consisting of (a) \$1,395,000 principal amount of Railways' 5 Percent General Mortgage Bonds, due 1953, plus accrued interest, (b) \$25,000 principal amount of 5 percent General Mortgage Bonds, due 1938, plus accrued interest, of West End Traction Company, (c) 7,009 shares of common stock, par value \$50 per share, of Monongahela Street Railway Company, and (d) Real Estate Company's claims on open account accrued prior to May 11, 1938, against Railways, in the amount of \$11,403.22, and against Pittsburgh Motor Coach Company ("Motor Coach"), a wholly owned subsidiary of Railways, in the amount of \$8,558.84. Such dividend will be paid to Philadelphia Company, which is the holder of all the common stock of Real Estate Company.

Cheswick and Harmar proposes to declare a dividend in kind consisting of 6,860 shares of common stock, par value \$50 per share, of Monongahela Street Railway Company. Such dividend will be paid to Philadelphia Company, holder of all the common stock of Cheswick and Harmar.

Sales Company, which is wholly owned by Philadelphia Company, will sell to Philadelphia Company for \$78.24 in cash, its claims on open account accrued prior

to May 11, 1938, against Railways, in the amount of \$56.23, and against Motor Coach, in the amount of \$22.01. The existing surplus deficit of Sales Company prevents payment of a dividend in kind.

Equitable Gas Company will sell to Philadelphia Company for cash, its claims on open account accrued prior to May 11, 1938, against Railways, in the amount of \$11,666.48, and against Motor Coach, in the amount of \$1,144.40. The purchase price is to be determined by negotiation and will be supplied by amendment.

Philadelphia Company proposes to record the securities, claims and accrued interest to be received as dividends at the values at which they have been carried on the books of the subsidiaries, and to record the claims to be purchased from Sales Company and Equitable Gas Company at their cost to Philadelphia Company. Applicants-declarants state that the proposed accounting treatment will preserve the status quo, as heretofore presented in the consolidated balance sheets of Philadelphia Company and Standard Gas and Electric Company, pending consummation of the Combined Plan and a determination by the Commission, in the Combined Plan proceeding, of the appropriate accounting treatment of the investment of Philadelphia Company in Railways System, jurisdiction over which was reserved by the Commission in such proceeding.

Applicants-declarants assert that this Commission is the only regulatory body having jurisdiction over the proposed transactions.

It appearing to the Commission that it is appropriate in the public interest and in the interest of investors and consumers that a hearing be held with respect to the proposed transactions for the purpose of affording an opportunity to all interested persons to present evidence and to be heard with respect to the proposed transactions contained in said joint application-declaration and that said application-declaration should not be granted or permitted to become effective except pursuant to further order of the Commission; and

It further appearing that in the Commission's aforesaid order, dated March 27, 1950 (Holding Company Act Release No. 9759), jurisdiction was reserved by the Commission to examine and require appropriate accounting entries to be made by New Company and Philadelphia Company in connection with consummation of the Combined Plan; and that, pursuant to a joint application heretofore filed by Philadelphia Company and Elmer E. Bauer, Trustee of Railways, the Commission, by order dated May 19, 1950 (Holding Company Act Release No. 9875), has directed that a hearing be held on July 20, 1950, with respect to the matters over which jurisdiction has heretofore been reserved in connection with said Combined Plan, including such accounting entries as aforesaid; and

It further appearing that the consolidated proceedings in File Nos. 52-28 and 54-183 involve questions of law and fact common to the proceeding with respect

to the joint application-declaration in File No. 70-2402 and that evidence offered with respect to each of the matters may have a bearing on the other and that substantial savings in time, effort and expense will result if said matters are consolidated:

It is ordered, That the consolidated proceedings in File Nos. 52-28 and 54-183 and the proceeding in File No. 70-2402 be, and the same hereby are, consolidated.

It is further ordered, That a hearing be held in said matters, as consolidated, on July 20, 1950, at 10:30 o'clock a. m., e. d. s. t., at the offices of the Securities and Exchange Commission, 425 Second Street NW., Washington 25, D. C. On such day the hearing room clerk in room 193 will designate the room in which such hearing will be held.

It is further ordered, That the same officer heretofore designated to preside at the hearing in the proceedings involved in File Nos. 52-28 and 54-183 shall preside at such consolidated hearing.

It is further ordered, That any person desiring to be heard in connection with these consolidated proceedings or proposing to intervene, who has not heretofore appeared in the proceedings in File Nos. 52-28 and 54-183, shall file with the Secretary of the Commission, on or before July 19, 1950, his request or application therefor as provided by Rule XVII of the Commission's rules of practice. Such request shall set forth the nature of the applicant's position with respect to the matters herein. Any such person who wishes to raise additional issues not otherwise set forth herein shall state in his application such additional issues so proposed to be raised.

The Division of Public Utilities of the Commission having advised the Commission that it has made a preliminary examination of the joint application-declaration in File No. 70-2402 and that, upon the basis thereof, in addition to the issues heretofore specified in the Commission's order, dated May 19, 1950, the following matters and questions are presented for consideration without prejudice, however, to the presentation of additional matters and questions upon further consideration:

1. Whether the proposed transactions are necessary for consummation of, and in conformity with, the Combined Plan and the Commission's order, dated March 27, 1950;
2. Whether the proposed acquisitions meet the standards of section 10 of the Holding Company Act and, particularly, the requirements of sections 10 (b) (2) and (3) and 10 (c) (1);
3. Whether the proposed transactions meet the requirements of sections 12 (c) and 12 (f) of the Holding Company Act and the rules and regulations promulgated thereunder.
4. Whether the proposed accounting treatment with respect to the proposed transactions is appropriate and in accordance with sound accounting practice, and, if not, what other, further, or different accounting treatment should be required under the circumstances of this case;
5. Whether the fees and expenses to be paid in connection with the proposed

transactions are for necessary services and are reasonable in amount; and

6. Generally, whether any terms and conditions with respect to the proposed transactions should be prescribed in the public interest or for the protection of investors or consumers, and if so, what such terms and conditions should be;

It is further ordered, That particular attention be directed at said hearing to the foregoing matters and questions and to the issues heretofore specified in the Commission's order, dated May 19, 1950.

It is further ordered, That jurisdiction be, and hereby is, reserved to separate either for hearing, in whole or in part, or for disposition, in whole or in part, any of the issues, questions, or matters hereinbefore set forth or which may hereafter arise, or to consolidate with these proceedings other filings, or to take such other action as may appear to be necessary for the orderly, prompt and economical disposition of the matters involved.

It is further ordered, That the Secretary of the Commission shall serve a copy of this notice and order by registered mail on Philadelphia Company, Standard Gas and Electric Company, Allegheny County Steam Heating Company, Cheswick and Harmar Railroad Company, Duquesne Light Company, Equitable Real Estate Company, Equitable Sales Company, Equitable Gas Company, Monongahela Street Railway Company, Suburban Rapid Transit Street Railway Company, West End Traction Company, Consolidated Traction Company, Elmer E. Bauer as Trustee of Pittsburgh Railways Company, Debtor, Elmer E. Bauer as Trustee of Pittsburgh Motor Coach Company, Subsidiary, the Pennsylvania Public Utility Commission, and all persons having heretofore filed an appearance in the proceedings in File Nos. 52-28 and 54-183, and that notice be given to all other persons by publication of this notice and order in the FEDERAL REGISTER and by general release of the Commission, distributed to the press and mailed to the mailing list for releases under the Public Utility Holding Company Act of 1935.

By the Commission.

[SEAL]

ORVAL L. DuBOIS,
Secretary.

[F. R. Doc. 50-5064; Filed, June 13, 1950;
8:46 a. m.]

DEPARTMENT OF JUSTICE

Office of Alien Property

AUTHORITY: 40 Stat. 411, 55 Stat. 839, Pub. Laws 322, 671, 79th Cong., 60 Stat. 50, 925; 50 U. S. C. and Supp. App. 1, 616; E. O. 9193, July 6, 1942, 3 CFR, Cum. Supp., E. O. 9567, June 8, 1945, 3 CFR, 1945 Supp., E. O. 9788, Oct. 14, 1946, 11 F. R. 11981.

[Vesting Order 14700]

HERDER & Co. G. M. B. H. AND
B. HERDER BOOK CO.

In re: Interests of Herder & Co. G. M. B. H. in agreements between Herder & Co. G. M. B. H., and B. Herder Book Co.

Under the authority of the Trading With the Enemy Act, as amended, Exec-

utive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Herder & Co. G. m. b. H., whose last known address is Freiburg i. Breisgau, Germany, is a business organization organized under the laws of Germany, which has or on or since the effective date of Executive Order 8389, as amended, has had its principal place of business in Germany, and is a national of a designated enemy country (Germany);

2. That the property described as follows: All interests and rights (including all royalties or monies payable or held with respect to such interests and rights and all damages for breach of the agreements hereinafter described, together with the right to sue therefor) created in Herder & Co. G. m. b. H. by virtue of the following agreements (including all modifications thereof and supplements thereto, if any) by and between Herder & Co. G. m. b. H. and B. Herder Book Co., excepting such rights as Franz Michel Willam, a resident of Austria, may have to fifty per cent of the royalties payable under said agreements:

(a) Agreement signed on behalf of Herder & Co., G. m. b. H. under date of January 24, 1933 and on behalf of B. Herder Book Co. under date of February 16, 1933, which agreement relates to an English translation of the work entitled "Das Leben Jesu in Lande und Volke Israel" by Franz Michel Willam (English translation entitled "The Life of Jesus Christ in the Land of Israel and Among Its People", Copyright No. 91049), and

(b) Agreement signed on behalf of Herder & Co., G. m. b. H. under date of August 26, 1936, and on behalf of B. Herder Book Co. under date of September 28, 1936, which agreement relates to an English translation of the work entitled "Das Leben Marias, der Mutter Jesu" by Franz Michel Willam (English translation entitled "Mary, the Mother of Jesus", Copyright No. 115048),

is property within the United States owned or controlled by, payable or deliverable to, held on behalf or on account of, or owing to, or which is evidence of ownership or control by the aforesaid national of a designated enemy country (Germany) and is property payable or held with respect to copyrights or rights related thereto in which interests are held by, and such property itself constitutes interests therein held by, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the person referred to in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the prop-

erty described in subparagraph 2 hereof, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on June 1, 1950.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Acting Director,
Office of Alien Property.

[F. R. Doc. 50-5047; Filed, June 12, 1950;
8:50 a. m.]

[Vesting Order 14706]

WILHELM GERHARD BEIER

In re: Rights of Wilhelm Gerhard Beier under insurance contract. File No. F-28-24794-H-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Wilhelm Gerhard Beier, whose last known address is Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the net proceeds due or to become due under a contract of insurance evidenced by policy No. X 166277, issued by Republic National Life Insurance Company, Dallas, Texas, to Wilhelm Gerhard Beier, together with the right to demand, receive and collect said net proceeds,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on June 1, 1950.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Acting Director,
Office of Alien Property.

[F. R. Doc. 50-5048; Filed, June 12, 1950;
8:50 a. m.]

SOCIETE ANONYME DES ATELIERS BRILLIE FRERES

NOTICE OF INTENTION TO RETURN VESTED PROPERTY

Pursuant to section 32 (f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of publication hereof, the following property located in Washington, D. C., including all royalties accrued thereunder and all damages and profits recoverable for past infringement thereof, after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., and Property

Societe Anonyme des Ateliers Brillie Freres, Levallois-Perret, (Seine) France; Claims Nos. 6933 and 27734; property described in Vesting Order No. 666 (8 F. R. 5047, April 17, 1943), relating to United States Letters Patent Nos. 1,826,719; 1,920,179; 1,922,836; 1,933,086; 1,933,087; 1,933,088; 1,933,089; 1,945,969; 1,945,990; 1,965,762; 1,965,763; 1,998,435. All interests and rights (including all royalties and other monies payable or held with respect to such interests and rights and all damages for breach of the agreement hereinafter described, together with the right to sue therefor) created in Societe Anonyme des Ateliers Brillie Freres by virtue of an agreement dated December 20, 1932 and February 21, 1933 (including all modifications thereof or supplements thereto, if any) by and between Societe Anonyme des Ateliers Brillie Freres and Jaeger Watch Company, Inc., relating, among others, to Patent No. 1,826,719; to the extent owned by Societe Anonyme des Ateliers Brillie Freres, immediately prior to the vesting thereof by Vesting Order No. 2047 (8 F. R. 13272, September 29, 1943).

Executed at Washington, D. C., on June 7, 1950.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Acting Director,
Office of Alien Property.

[F. R. Doc. 50-5054; Filed, June 12, 1950;
8:51 a. m.]

[Return Order 649]

ROGER CROS

Having considered the claim set forth below and having issued a determination allowing the claim, which is incorporated by reference herein and filed herewith,

It is ordered, That the claimed property, described below and in the determination, including all royalties accrued thereunder and all damages and profits recoverable for past infringement thereof, be returned after adequate pro-

vision for taxes and conservatory expenses:

Claimant, Claim No., Notice of Intention to Return Published, and Property

Roger Cros, 10 rue Daru, Paris, France; Claim No. 41478; April 12, 1950 (15 F. R. 2072); property to the extent owned by the claimant immediately prior to the vesting thereof by Vesting Order No. 3918 (9 F. R. 9515, August 4, 1944) relating to literary works entitled "Nineteenth Century French Prose" and "Nineteenth Century French Verse" (listed in Exhibit A of said vesting order) including royalties pertaining thereto in the amount of \$714.69.

Appropriate documents and papers effectuating this order will issue.

Executed at Washington, D. C., on June 2, 1950.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Acting Director,
Office of Alien Property.

[F. R. Doc. 50-5053; Filed, June 12, 1950;
8:51 a. m.]

[Vesting Order 14694]

ANNA SCHMIDT

In re: Debts owing to Anna Schmidt.
F-28-12082-D-1/E-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Anna Schmidt, whose last known address is Koln-Zollstock, Vorgebirgstr 97, Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows: Those certain debts or other obligations, matured or unmatured, evidenced by one (1) Northern Utilities Company Registered Income Convertible Debenture Bond, of \$500.00 face value, bearing the number RD163, registered in the name of Mrs. Anna Schmidt, Koln-Zollstock, Vorgebirgstr 97, Germany, and any and all rights to demand, enforce and collect the aforesaid debts or other obligations, and any and all rights in, to and under said bond, including particularly but not limited to the right to receive the proceeds of redemption thereof and the May 1, 1946, interest on said bond, and those four (4) checks drawn on the City National Bank and Trust Company of Chicago, 208 South La Salle Street, Chicago, Illinois, payable to Mrs. Anna Schmidt, representing interest payments on the aforesaid bond, said checks numbered, dated and in the amounts as set forth below:

| Check No. | Date | Amount |
|-----------|-------------|---------|
| TSD182546 | May 1, 1942 | \$28.56 |
| TSD214573 | May 1, 1943 | 22.75 |
| TSD239962 | May 1, 1944 | 22.75 |
| TSD266753 | May 1, 1945 | 22.75 |

presently in the custody of the said City National Bank and Trust Company of Chicago, and any and all rights in, to and

under, including particularly but not limited to the right of possession and presentation for collection and payment of the aforesaid checks,

is property within the United States, owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on May 24, 1950.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Acting Director,
Office of Alien Property.

[F. R. Doc. 50-5086; Filed, June 13, 1950;
8:49 a. m.]

[Vesting Order 14709]

EVA GROSSMANN

In re: Rights of Eva Grossmann under insurance contracts. File Nos. F-28-26839-H-1 and H-4.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Eva Grossmann, whose last known address is Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the net proceeds due or to become due under contracts of insurance evidenced by policy Nos. 10,091,474 and 10,091,476, issued by The Equitable Life Assurance Society of the United States, New York, New York, to Cornelia B. J. Schorer, together with the right to demand, receive and collect said net proceeds,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on June 1, 1950.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Acting Director,
Office of Alien Property.

[F. R. Doc. 50-5088; Filed, June 13, 1950;
8:49 a. m.]

[Vesting Order 14695]

AGNES SIEMERS

In re: Interest in stock and debt owned by Agnes Siemers. D-28-620-D-1/3.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Agnes Siemers, whose last known address is Tarpenbeckstrasse 31, Hamburg 20, Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows:

a. An undivided one-fourth (1/4th) interest in and to those certain shares of stock described in Exhibit A, attached hereto and by reference made a part hereof, together with an undivided one-fourth (1/4th) interest in and to all declared and unpaid dividends thereon,

b. An undivided one-fourth (1/4th) interest in and to that certain debt or other obligation of the American Telephone & Telegraph Company, 195 Broadway, New York, New York, arising out of the sales of certain subscription rights issued by said American Telephone & Telegraph Company with respect to the sixteen (16) shares of its capital stock described in the aforesaid Exhibit A, and any and all rights to demand, enforce and collect the same, and

c. An undivided one-fourth (1/4th) interest in and to four (4) shares of \$6 dividend preferred capital stock of Pacific Lighting Corporation, 433 California Street, San Francisco, California, a corporation organized under the laws of the State of California, evidenced by certificate number SFO 8889, registered in the

name of Carl L. Siemers, together with an undivided one-fourth (1/4th) interest in and to all declared and unpaid dividends thereon and an undivided one-fourth (1/4th) interest in and to the proceeds of redemption thereof,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of, or on account of, or owing to, or which is evidence of ownership or control by, Agnes Siemers, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on May 24, 1950.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Acting Director,
Office of Alien Property.

EXHIBIT A

| Name and address of issuing corporation | State of incorporation | Type of stock | Certificate No. | Number of shares | Name in which registered |
|---|------------------------|--------------------------------|--|---------------------------------|--|
| International Telephone & Telegraph Corp., 67 Broad St., New York, N. Y. American Telephone & Telegraph Co., 165 Broadway, New York, N. Y. | Maryland..... | No par value capital stock. | NNF 102066 NNF 235352 | 1 5 | Mr. Carl Siemers. Do. |
| | New York.... | \$100 par value capital stock. | SN 4471 MN 11852 MN 22064 MN 74241 WN 18341 KN 40055 FN 6652/3 | 3 2 2 2 2 1 1 | Carl Siemers Estate. Do. Do. Do. Do. Do. Do. |

¹ Each.

[F. R. Doc. 50-5087; Filed, June 13, 1950; 8:49 a. m.]

[Vesting Order 14712]

KIYOSHI NOZAKI

In re: Rights of Kiyoshi Nozaki under insurance contract. File No. D-39-9545-H-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Kiyoshi Nozaki, whose last known address is Japan, is a resident of Japan and a national of a designated enemy country (Japan);

2. That the net proceeds due or to become due under a contract of insurance evidenced by policy No. 1,180,662, issued by the Sun Life Assurance Company of Canada, Montreal, Quebec, Canada, to Kiyoshi Nozaki, together with the right to demand, receive and collect said net proceeds (including without limitation the right to proceed for collection against branch offices and legal reserves maintained in the United States),

is property within the United States, owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Japan);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the

national interest of the United States requires that such person be treated as a national of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on June 1, 1950.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Acting Director,
Office of Alien Property.

[F. R. Doc. 50-5090; Filed, June 13, 1950; 8:49 a. m.]

[Vesting Order 14715]

ALBERT REICHEL

In re: Estate of Albert Reichel, deceased. File No. D-28-9878; E. T. sec. 13953.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

(1) That Camilla Eckhardt, Selma Bertha Bach, Helene Frieda Hempel and Franz Kurt Anke, whose last known address is Germany, are residents of Germany and nationals of a designated enemy country (Germany);

(2) That the domiciliary personal representatives, heirs-at-law, next-of-kin, legatees and distributees, names unknown, of Hedwig Schreiber, deceased, who there is reasonable cause to believe are residents of Germany, are nationals of a designated enemy country (Germany);

(3) That all right, title, interest and claim of any kind or character whatsoever of the persons identified in subparagraphs 1 and 2 hereof in and to the sum of \$10,051.30 paid to the Oregon State Land Board pursuant to an order of the County Court of Deschutes County, Oregon, dated June 19, 1948, and entered in a proceeding entitled Estate of Albert Reichel, deceased, and any accumulations thereon,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid nationals of a designated enemy country (Germany);

and it is hereby determined:

(4) That to the extent that the persons identified in subparagraph 1 hereof and the domiciliary personal representatives, heirs-at-law, next-of-kin, legatees and distributees, names unknown, of Hedwig Schreiber, deceased, are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on June 1, 1950.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Acting Director,
Office of Alien Property.

[F. R. Doc. 50-5092; Filed, June 13, 1950; 8:49 a. m.]